

S T A T E   O F   W A S H I N G T O N

**PROPOSED 2003-2005 BUDGET**

# **RECOMMENDATION SUMMARIES**

*We will make education the first priority in every budget we write.*

— Governor Gary Locke  
Inaugural Address, January 15, 1997

**GOVERNOR GARY LOCKE**  
OFFICE OF THE GOVERNOR



## RECOMMENDATION SUMMARIES

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The individual agency Recommendation Summaries in this document reflect the dollar and FTE differences between current biennium expenditure levels and the Governor's proposed 2003-05 budget. Most summaries also focus on the activities the agencies perform, with narrative that is intended to present the public with a succinct, informative description of the services that result from this budget proposal.

This activity information has played a crucial role in the Governor's budget development effort, helping decision makers analyze statewide costs and results, and providing a meaningful way to talk about the work of state government. While activity data appears to be the best way to explain what the budget will buy, there are also some caveats that should be noted:

- Most agencies do not have accounting systems that detail expenditures to the activity level. Costs displayed in the Recommendation Summaries should be considered reasonable, but not precise, estimates.
- Because agencies do not have activity-oriented cost accounting systems, they have exercised judgment about whether to allocate their administrative costs to direct service activities, or to describe the administrative costs as separate activities. These variations need to be kept in mind when attempting any comparisons in administrative costs.
- With approximately 1,200 activity descriptions for more than 100 agencies, the level at which activities are defined will vary somewhat from agency to agency.

Other formatting conventions in this document include:

- Each agency step table displays a summary line representing the cost of Maintenance Level (i.e., the dollars necessary to carry on the same activities next biennium, as adjusted for rate changes and mandatory caseload/enrollment changes). These costs are then zeroed out in order to express the total cost of activities.
- Where the budget proposes a funding change to an activity, the narrative also describes the nature of that change.
- An asterisk (\*) indicates activities that include expenditure changes dependent on new revenue legislation.
- Activities with expenditures requiring other types of legislation are identified by a pound sign (#) at the end of the activity title.



*Agency 011***House of Representatives****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	389.8	56,319	45	56,364
<b>Total Maintenance Level</b>	386.8	57,033	45	57,078
Difference	(3.0)	714		714
Percent Change from Current Biennium	(0.8)%	1.3%	0.0%	1.3%
<b>Total Proposed Budget</b>	386.8	57,033	45	57,078
Difference	(3.0)	714		714
Percent Change from Current Biennium	(0.8)%	1.3%	0.0%	1.3%

Agency 012

**Senate****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	306.6	46,513	45	46,558
<b>Total Maintenance Level</b>	303.6	45,887	45	45,932
Difference	(3.0)	(626)		(626)
Percent Change from Current Biennium	(1.0)%	(1.3)%	0.0%	(1.3)%
<b>Total Proposed Budget</b>	303.6	45,887	45	45,932
Difference	(3.0)	(626)		(626)
Percent Change from Current Biennium	(1.0)%	(1.3)%	0.0%	(1.3)%



*Agency 014***Joint Legislative Audit and Review Committee****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	18.0	4,136		4,136
<b>Total Maintenance Level</b>	18.0	3,533		3,533
Difference		(603)		(603)
Percent Change from Current Biennium	0.0%	(14.6)%		(14.6)%
<b>Total Proposed Budget</b>	18.0	3,533		3,533
Difference		(603)		(603)
Percent Change from Current Biennium	0.0%	(14.6)%		(14.6)%

*Agency 015***Legislative Transportation Committee****Recommendation Summary**Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	13.5		3,646	3,646
<b>Total Maintenance Level</b>	13.5		3,642	3,642
Difference			(4)	(4)
Percent Change from Current Biennium	0.0%		(0.1)%	(0.1)%
<b>Total Proposed Budget</b>	13.5		3,642	3,642
Difference			(4)	(4)
Percent Change from Current Biennium	0.0%		(0.1)%	(0.1)%

*Agency 020***Legislative Evaluation and Accountability Program Committee****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	14.3	2,801	700	3,501
<b>Total Maintenance Level</b>	15.3	3,797		3,797
Difference	1.0	996	(700)	296
Percent Change from Current Biennium	7.0%	35.6%	(100.0)%	8.5%
<b>Total Proposed Budget</b>	15.3	3,797		3,797
Difference	1.0	996	(700)	296
Percent Change from Current Biennium	7.0%	35.6%	(100.0)%	8.5%

*Agency 035***Office of the State Actuary****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	10.5		2,089	2,089
<b>Total Maintenance Level</b>	10.5		2,143	2,143
Difference			54	54
Percent Change from Current Biennium	0.0%		2.6%	2.6%
<b>Total Proposed Budget</b>	10.5		2,143	2,143
Difference			54	54
Percent Change from Current Biennium	0.0%		2.6%	2.6%

Agency 038

## Joint Legislative Systems Committee

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	49.0	13,439	1,706	15,145
<b>Total Maintenance Level</b>	48.0	13,664	1,813	15,477
Difference	(1.0)	225	107	332
Percent Change from Current Biennium	(2.0)%	1.7%	6.3%	2.2%
<b>Performance Changes (Activities)</b>				
Maintain Legislative Information Technology Systems		591	21	612
<b>Subtotal</b>		591	21	612
<b>Total Proposed Budget</b>	48.0	14,255	1,834	16,089
Difference	(1.0)	816	128	944
Percent Change from Current Biennium	(2.0)%	6.1%	7.5%	6.2%

#### Maintain Legislative Information Technology Systems

Funding is requested for significant enhancements to and replacement of existing legislative information technology (IT) systems. (General Fund-State and Legislative Systems Revolving Account-Nonappropriated)

*Agency 040***Statute Law Committee****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	53.5	7,973	2,239	10,212
<b>Total Maintenance Level</b>	53.0	8,273	2,263	10,536
Difference	(.5)	300	24	324
Percent Change from Current Biennium	(0.9)%	3.8%	1.1%	3.2%
<b>Total Proposed Budget</b>	53.0	8,273	2,263	10,536
Difference	(.5)	300	24	324
Percent Change from Current Biennium	(0.9)%	3.8%	1.1%	3.2%

Agency 045

**Supreme Court****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	64.3	11,158		11,158
<b>Total Maintenance Level</b>	64.3	11,435		11,435
Difference		277		277
Percent Change from Current Biennium	0.0%	2.5%		2.5%
<b>Performance Changes</b>				
Editorial Assistant	1.0	75		75
Law Clerk Reclassification		385		385
Reclassify Reporter of Decisions		52		52
<b>Subtotal</b>	1.0	512		512
<b>Total Proposed Budget</b>	65.3	11,947		11,947
Difference	1.0	789		789
Percent Change from Current Biennium	1.6%	7.1%		7.1%

**Editorial Assistant**

Funding is requested to create a new position, Editorial Assistant, within the Office of the Reporter of Decisions. The addition of this position will return the level of service to the appellate courts to that provided prior to the contracting out of publications in July of 1995.

**Law Clerk Reclassification**

Funding is requested for a reclassification of salary and benefits for law clerks. The current salary level for law clerks is not competitive with either federal court law clerk positions or entry-level positions with law firms in the private sector.

**Reclassify Reporter of Decisions**

Funding is requested in order to reclassify the position of Reporter of Decisions to reflect the current duties and responsibilities, and to align the compensation level to be commensurate with similar court officers.

Agency 046

**Law Library****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	15.0	3,949		3,949
<b>Total Maintenance Level</b>	15.0	5,071		5,071
Difference		1,122		1,122
Percent Change from Current Biennium	0.0%	28.4%		28.4%
<b>Performance Changes</b>				
Publication Acquisition		160		160
<b>Subtotal</b>		160		160
<b>Total Proposed Budget</b>	15.0	5,231		5,231
Difference		1,282		1,282
Percent Change from Current Biennium	0.0%	32.5%		32.5%

**Publication Acquisition**

The mission of the Washington State Law Library (Library) is to act as a legal research library for Washington State government and citizens throughout the state. Partnering with libraries and legal service providers, the Library is positioned to provide necessary information to the community.

Over the last several years, the Library has had to discontinue numerous monographs, continuations and replacements due to increased costs. At the same time, the number of requests for all library services has increased due to the advent of e-mail. The Library receives requests 24 hours-a-day, seven days a week. In addition, the number of pro se (on one's own behalf) filings continues to increase, placing an additional burden on Library resources and staff.

The combination of these factors, increased demand and decreased resource, have made it extremely difficult for the Library to meet its mission of providing services to the citizens of the state and to members of the judicial, legislative, and executive branches of government.

To meet customer expectations, the Washington State Law Library is provided funds for the immediate replacement and enhancement of its existing inventory. Funds will be used to continue subscriptions to selected digests, administrative, county and municipal codes, and other high volume publications.



Agency 048

## Court of Appeals

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	147.6	25,942		25,942
<b>Total Maintenance Level</b>	146.1	26,234		26,234
Difference	(1.5)	292		292
Percent Change from Current Biennium	(1.0)%	1.1%		1.1%
<b>Performance Changes</b>				
Division II Security		30		30
<b>Subtotal</b>		30		30
<b>Total Proposed Budget</b>	146.1	26,264		26,264
Difference	(1.5)	322		322
Percent Change from Current Biennium	(1.0)%	1.2%		1.2%

#### Division II Security

Funding is requested to expand contracted court security personnel for Division II of the Court of Appeals. Additional resources will allow for staffing of metal detectors previously installed outside courtrooms.

## JUDICIAL

*Agency 050*

### Commission on Judicial Conduct

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	9.6	1,926		1,926
<b>Total Maintenance Level</b>	9.6	1,939		1,939
Difference	(.1)	13		13
Percent Change from Current Biennium	(0.5)%	0.7%		0.7%
<b>Total Proposed Budget</b>	9.6	1,939		1,939
Difference	(.1)	13		13
Percent Change from Current Biennium	(0.5)%	0.7%		0.7%

Agency 055

## Office of Administrator for the Courts

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	356.0	30,151	55,743	85,894
<b>Total Maintenance Level</b>	351.5	33,465	42,119	75,584
Difference	(4.5)	3,314	(13,624)	(10,310)
Percent Change from Current Biennium	(1.3)%	11.0%	(24.4)%	(12.0)%
<b>Performance Changes</b>				
JIS User Assistance Project			287	287
Court Appointed Special Advocates		1,500		1,500
JIS Migration Phase II Build			8,000	8,000
JIS Migration Phase III Design			1,500	1,500
Enterprise Data Warehouse Project	1.0		258	258
JIS System Upgrade Phase II			1,903	1,903
Judicial Education Programs	1.0		416	416
Courts of Limited Jurisdiction			420	420
Probation Case Management Phase III			1,261	1,261
Minority and Justice Commission Staff	.5		41	41
<b>Subtotal</b>	2.5	1,500	14,086	15,586
<b>Total Proposed Budget</b>	354.0	34,965	56,205	91,170
Difference	(2.0)	4,814	462	5,276
Percent Change from Current Biennium	(0.6)%	16.0%	0.8%	6.1%

**JIS User Assistance Project**

Development of Phase I of a knowledge management system that provides Administrative Office of the Courts (AOC) users with the training and help applications needed is projected to be completed in the 2001-03 Biennium. Funding is requested for Phase II with the purchase of an off-the-shelf system that will provide an easy-to-use single point of access that is intuitive, and provides a contextual interface to the AOC help systems. (Judicial Information Systems Account-State)

**Court Appointed Special Advocates**

The Court Appointed Special Advocates/Guardian Ad Litem (CASA/GAL) program provides representation for children in the court system. Funds are requested to increase, by at least 1,000, the number of abused and neglected children represented by CASA/GAL through the recruitment, training, managing, and retention of more volunteers, and to strengthen volunteer management by providing funds to recruit, train, manage, and retain new and current volunteers.

**JIS Migration Phase II Build**

Funding is requested to continue the project started in the 2001-03 Biennium to migrate the Judicial Information System (JIS) to a new web-based architecture. This phase adds several core case management components, including case tracking, warrants, protection orders, person history and search functions, case archiving, electronic case filing, interfaces to document management and imaging systems, and interfaces to other criminal justice agencies. Phase II extends all new functions from the appellate courts to the superior courts. (Judicial Information Systems Account-State)

## JUDICIAL

### **JIS Migration Phase III Design**

Funds are required to complete the design phase of the migration of the Judicial Information System (JIS) to a new web-based architecture. This phase completes the design of accounting functions and extends the design of all new functions to the courts of limited jurisdiction. (Judicial Information Systems Account-State)

### **Enterprise Data Warehouse Project**

Funding is requested to complete the data reporting and querying warehouse for the limited jurisdiction courts, add a similar warehouse for the superior courts, and provide a public version for the court website. (Judicial Information Systems Account-State)

### **JIS System Upgrade Phase II**

Funding is required for additional capacity for the JIS mainframe to handle increased transaction loads and the new web-based JIS application while maintaining user response times. (Judicial Information Systems Account-State)

### **Judicial Education Programs**

Court education programs for judges are expanded in response to a new Supreme Court rule requiring continuing education for all judicial officers. Also included is funding to expand the availability of court administration education programs for an additional 50 court managers and to expand the Judicial College by one week. (Public Safety and Education Account-State)

### **Courts of Limited Jurisdiction**

Requested funds will enable JIS to exchange all state-shared data with non-JIS courts and criminal justice agencies using Seattle Municipal Court as the pilot site. Forms part of the Justice Information Network (JIN) system to improve public safety. (Judicial Information Systems Account-State)

### **Probation Case Management Phase III**

Funding to complete the construction of a new misdemeanor case management system for juvenile courts and courts of limited jurisdiction is requested. This web-based application is fully integrated into the larger JIS system with standardized data elements. (Judicial Information Systems Account-State)

### **Minority and Justice Commission Staff**

Funding is requested for a half-time administrative support staff position that was reduced due to the 2002 supplemental budget. Since its creation in 1990, the work and successes of the Commission have grown tremendously. While the workload of the Commission continues to increase by volume and complexity, the number of staff positions has decreased. Currently, the work of the Commission is carried out by one full-time executive director funded by the Commission budget, and one-half-time assistant funded by the Administrative Office of the Courts (AOC). (Public Safety and Education Account-State)

Agency 056

**Office of Public Defense****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	5.5	600	12,364	12,964
<b>Total Maintenance Level</b>	5.5		12,383	12,383
Difference		(600)	19	(581)
Percent Change from Current Biennium	0.0%	(100.0)%	0.2%	(4.5)%
<b>Performance Changes</b>				
Per Page Rate Change			226	226
Dependency and Termination Program		2,049		2,049
<b>Subtotal</b>		2,049	226	2,275
<b>Total Proposed Budget</b>	5.5	2,049	12,609	14,658
Difference		1,449	245	1,694
Percent Change from Current Biennium	0.0%	241.5%	2.0%	13.1%

**Per Page Rate Change**

Court reporters prepare the verbatim reports of proceedings for indigent appellate cases and are compensated on a per page rate set by the Washington Supreme Court. The last rate increase for these services was granted in July of 1995. Funds are requested to increase the per page rate from \$2.75 to \$3.00 per page. (Public Safety and Education Account-State)

**Dependency and Termination Program**

Funds are requested for the continuation and expansion of the agency's Dependency and Termination Parents' Representation Program. Funds will allow for the maintenance of the current program in Benton-Franklin and Pierce County Juvenile Courts and the expansion of the program to a small third court in the first fiscal year and an additional court in the second fiscal year of the 2003-05 Biennium.



Agency 075

**Office of the Governor****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	67.0	8,662	4,213	12,875
<b>Total Maintenance Level</b>	64.0	8,325	5,222	13,547
Difference	(3.0)	(337)	1,009	672
Percent Change from Current Biennium	(4.5)%	(3.9)%	23.9%	5.2%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(64.0)	(8,325)	(5,222)	(13,547)
Executive Operations for Governor's Office	36.0	7,503		7,503
Maintenance of Governor's Mansion		288		288
Office of the Family and Children's Ombudsman				
Puget Sound Water Quality Action Team	26.0		5,135	5,135
Kindergarten Readiness		400		400
Employee-related and Internal Service Cost				
Adjustments		134	98	232
Staff Reductions and Operating Efficiencies	(9.3)	(338)	(180)	(518)
<b>Subtotal</b>	(11.3)	(338)	(169)	(507)
<b>Total Proposed Budget</b>	52.7	7,987	5,053	13,040
Difference	(14.3)	(675)	840	165
Percent Change from Current Biennium	(21.4)%	(7.8)%	19.9%	1.3%

**Executive Operations for Governor's Office**

The Governor is the chief executive officer of the state, responsible for the overall administration of the affairs of the state of Washington. The Office of the Governor includes staff members who assist the Governor with administrative support, communicating with the public, and representing the Governor's policy recommendations to the Legislature. (General Fund-State)

Within Executive Operations, funding for the Governor's Salmon Recovery Office is increased \$600,000 General Fund-State to continue implementation of the Statewide Strategy to Recover Salmon. Specific functions of the office during the 2003-05 Biennium will be to secure current and future federal funding for local, regional, and state recovery efforts; supply regional coordination and assistance in the development of salmon recovery plans for evolutionarily significant units; and organize and manage salmon recovery issues interconnected with the Salmon Recovery Funding Board, implementation of the Salmon and Watershed Health Monitoring Strategy, and local, state and federal recovery partners.

**Maintenance of Governor's Mansion**

The Executive Mansion is provided by the state for the Governor's residential use and to fulfill ceremonial responsibilities. The Governor's personal expenses are the responsibility of the Governor and are not included in the mansion budget. (General Fund-State)

## GOVERNMENTAL OPERATIONS

### Office of the Family and Children's Ombudsman

The Office of the Family and Children's Ombudsman (OFCO) is responsible for investigating complaints against state agencies involving the protection of children from abuse and neglect, and/or the provision of child welfare services. OFCO researches issues facing the child protection/welfare system and recommends changes for improvements. (General Fund-State)

This activity has been eliminated.

### Puget Sound Water Quality Action Team

The Puget Sound Water Quality Action Team coordinates the activities of state and local agencies to protect and restore the biological health and diversity of Puget Sound for the enjoyment and use by Washington citizens. The Team establishes biennial work plans and budgets that delineate state and local actions; coordinates monitoring and research programs; identifies and resolves policy or rule conflicts; provides technical assistance to local governments; promotes extensive public participation; disseminates information about Puget Sound; and assesses and reports on the successes and opportunities for improvement of each biennial work plan. (General Fund-Federal, Water Quality Account)

### Kindergarten Readiness

Success in meeting our high expectations for K-12 student performance and reducing the achievement gap is dependent on having more children ready for school when they enter kindergarten. Funding is provided for an interdisciplinary team to work with both the early childhood care and education communities to identify the characteristics of schools ready for children and children ready for school. These research-based, voluntary guidelines will then be disseminated to child care providers, pre-school teachers, parents, kindergarten teachers, and the public at large as a guide for developing appropriate curricula and activities to prepare children to enter school. (General Fund-State)

### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)



Agency 080

## Office of Lieutenant Governor

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	6.0	891		891
<b>Total Maintenance Level</b>	8.0	888		888
Difference	2.0	(3)		(3)
Percent Change from Current Biennium	33.3%	(0.3)%		(0.3)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(8.0)	(888)		(888)
Executive Operations	8.0	864		864
Employee-related and Internal Service Cost Adjustments		32		32
Staff Reductions and Operating Efficiencies	(.1)	(27)		(27)
<b>Subtotal</b>	(.1)	(19)		(19)
<b>Total Proposed Budget</b>	8.0	869		869
Difference	2.0	(22)		(22)
Percent Change from Current Biennium	32.5%	(2.5)%		(2.5)%

**Executive Operations**

The Lieutenant Governor, elected independently of the Governor, has a constitutional responsibility to act as Governor if the Governor is unable to perform his/her duties; serve as the presiding officer (President) of the Senate; and discharge other duties prescribed by law. The Lieutenant Governor represents the State at public and private functions, and serves on various executive and legislative committees. Staff assists the Lieutenant Governor with administrative support, communicating with the public, and representing the Lieutenant Governor's policy recommendations to the Legislature.

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 082

**Public Disclosure Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	25.7	3,823		3,823
<b>Total Maintenance Level</b>	25.7	3,920		3,920
Difference		97		97
Percent Change from Current Biennium	0.0%	2.5%		2.5%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(25.7)	(3,920)		(3,920)
Agency Administration	3.7	526		526
Enforcement of Public Disclosure Laws	4.0	886		886
Provide Public Access to Certain Campaign, Lobbying and Financial Information	18.0	2,429		2,429
Employee-related and Internal Service Cost Adjustments		99		99
Staff Reductions and Operating Efficiencies	(1.2)	(165)		(165)
<b>Subtotal</b>	(1.2)	(145)		(145)
<b>Total Proposed Budget</b>	24.6	3,775		3,775
Difference	(1.2)	(48)		(48)
Percent Change from Current Biennium	(4.5)%	(1.3)%		(1.3)%

**Agency Administration**

Agency Administration provides administrative and management support to the Public Disclosure Commission.  
(General Fund-State)

**Enforcement of Public Disclosure Laws**

The Public Disclosure Commission monitors whether persons subject to public disclosure laws file timely reports. The agency reviews approximately 100 complaints from the public annually, the vast majority relating to provisions of the campaign financing statutes. The Commission initiates investigations, produces reports, and enforces the public disclosure laws, including hearing enforcement cases and imposing penalties on violators. The Commission hears approximately 12 to 15 enforcement cases annually and may impose sanctions, including fines of no more than \$2,500; enter into settlement agreements that may entail higher penalties; or refer cases to the Office of the Attorney General for appropriate action. (General Fund-State)

**Provide Public Access to Certain Campaign, Lobbying and Financial Information**

The Public Disclosure Commission provides full and timely public access to reliable political finance data by maintaining a secure, comprehensive website, and developing and maintaining electronic filing alternatives for campaigns, lobbyists, lobbyist employers, and personal financial affairs filers. The agency assists filers in fulfilling statutory reporting requirements, including mandatory electronic filing, by providing training, instructional manuals, help screens, and telephone and e-mail assistance. Commission staff enters, reviews, and maintains personal financial affairs data required of campaigns, lobbyists, lobbyist employers, and others required to submit statements, to ensure the uniformity and accuracy of the data. (General Fund-State)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

GOVERNMENTAL OPERATIONS

Agency 085

Office of the Secretary of State

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	174.5	17,170	18,782	35,952
<b>Total Maintenance Level</b>	283.2	42,398	26,182	68,580
Difference	108.7	25,228	7,400	32,628
Percent Change from Current Biennium	62.3%	146.9%	39.4%	90.8%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(283.2)	(42,398)	(26,182)	(68,580)
Address Confidentiality Program	3.1	403		403
Administration	34.6	2,614	2,010	4,624
Apostilles Program	1.6		146	146
Assistance to Local Libraries	15.0		6,012	6,012
Certification Authorities Registration	1.0	156		156
Charitable Solicitation Program	3.7	372	18	390
Charitable Trusts Program	1.0	169		169
Corporations and Partnerships Registration	40.3	2,981	2,669	5,650
Elections - Initiative and Referendum Verification	9.5	985		985
Elections - Reimbursement to Counties		8,333		8,333
Elections - Supervision	5.5	1,117		1,117
Elections - Voter Registration	5.0	721		721
Elections - Voters Pamphlet, Voter Outreach and Legal Advertising	5.2	3,049		3,049
Historical and Northwest Collections	2.0	667		667
Imaging Services and Microfilm Archiving	12.7		911	911
Information Technology	14.0	1,607	464	2,071
Library Administration and Support	2.0	2,000	336	2,336
Library Services to Legislature and Agencies #				
Library Services to State Institutions				
Library Technical Services	7.0	1,000		1,000
On-Line Access to Government Information	2.8	390		390
Oral History Program #				
Productivity Board #				
Public Affairs Broadcasting		3,937		3,937
Records Management	12.2		2,722	2,722
State and Federal Document Depository	4.0	567		567
State Archives	30.6		9,840	9,840
Talking Book and Braille		1,300	656	1,956
Trademark Registration	.5	48		48
Employee-related and Internal Service Cost Adjustments		907	1,120	2,027
Staff Reductions and Operating Efficiencies	(13.0)	(504)	(190)	(694)
<b>Subtotal</b>	<b>(82.9)</b>	<b>(9,579)</b>	<b>532</b>	<b>(9,047)</b>
<b>Total Proposed Budget</b>	<b>200.3</b>	<b>32,819</b>	<b>26,714</b>	<b>59,533</b>
Difference	25.8	15,649	7,932	23,581
Percent Change from Current Biennium	14.8%	91.1%	42.2%	65.6%

**Address Confidentiality Program**

This program protects the confidentiality of crime victims (specifically victims of domestic violence, sexual assault, or stalking) by ensuring alleged perpetrators cannot use state and local government public records to locate their victims. The program provides participants with legal substitute addresses used as residence, work, and/or school addresses, and confidentiality in two areas that are normally public records: voter registration and marriage licenses.

**Administration**

Administration provides the agency with management, policy direction, and financial and human resources services. Other functions include public information, legislative affairs, international relations, information technology, safety, and contracts. (General Fund-State, various other funds)

The Library Services to State Institutions activity has been transferred to the Departments of Corrections and Social and Health Services, along with part of the associated funding; \$2.126 million for the Department of Corrections and \$435,000 for the Department of Social and Health Services. The remaining funding associated with this activity, \$1.24 million, is removed from the Administration activity.

**Apostilles Program**

The Office of the Secretary of State is responsible for authenticating public documents for international use by verifying the official nature of a document so officials abroad can accept it at face value. Various documents (birth/death, marriage/divorce, police records, corporate good standings, etc.) submitted to this office are used internationally for adoptions, dual citizenship, business transactions, and education purposes.

**Assistance to Local Libraries**

The State Library provides a variety of services to local libraries statewide, including training, federal grant funds, coordination of statewide projects and initiatives, and consulting services aimed at assisting libraries of all types in providing services for their customers. Services are designed to ensure that residents of the entire state have access to quality library and information services. (General Fund-Federal)

**Certification Authorities Registration**

The Electronic Authentication Act (RCW 19.34) is a certification authority licensure program administered by the Office of the Secretary of State. The Office is an independent third party who ensures that the licensure process remains separate from the digital signature technology itself. Certification Authorities verify the identity of individuals and issue digital signatures. Digital signatures are used to sign contracts, verify identity, and control access to applications over the Internet.

**Charitable Solicitation Program**

The Office of the Secretary of State registers entities that solicit funds from Washington State citizens. Registration is used to provide information to the public about charities and their paid fundraisers. This information promotes education and awareness for targeted or vulnerable citizens such as the elderly, and exposes the improper use of contributions intended for charitable purposes. Program information is also used to ensure compliance with RCW 19.09 and the imposition of penalties.

**Charitable Trusts Program**

The registration of charitable trusts provides information relating to entities holding income-producing assets in the name of charity. Registration of charitable trusts also permits supervision of the administration of these public trusts, helps to prevent deceptive and dishonest practices, and prevents the improper use of public funds intended for charitable purposes. Information provided through registration promotes consumer education and awareness for grant seekers, grant makers, and public beneficiaries.

## GOVERNMENTAL OPERATIONS

### **Corporations and Partnerships Registration**

This activity provides registration of entities conducting business in the state of Washington, including domestic and foreign (out-of-state) corporations, limited partnerships, limited liability partnerships, and limited liability companies. The division also registers international student exchange programs and immigration assistants, and accepts service of process on corporations failing to maintain a registered agent or registered office address, and on out-of-state residents involved in accidents on Washington highways. (General Fund-State, Secretary of State's Revolving Account-Nonappropriated)

### **Elections - Initiative and Referendum Verification**

This activity facilitates the filing and processing of proposed initiatives and referenda, filing of completed petitions, and verification of voter signatures on filed petitions. All qualified initiatives and referenda are certified to the county auditors.

Historic petition verification expenditures support reducing this expenditure by \$200,000 in the 2003-05 Biennium.

### **Elections - Reimbursement to Counties**

This activity provides primary and general election cost reimbursements to county election offices in odd-numbered election years.

### **Elections - Supervision**

The Elections Division develops the curriculum used to train and certify state and local election officials. Staff performs election reviews of individual county procedures in the event of federal or state recounts. Also, the division provides comprehensive resources and reference materials for local election officials, political party organizations, and other interested parties.

The Secretary of State's Office will reimburse the Attorney General's Office \$134,000 for legal expenses related to defending the state's statutorily mandated blanket primary system in the 2003-05 Biennium.

### **Elections - Voter Registration**

All motor voter and mail-in registration information is processed for delivery to county auditors to ensure the maintenance of complete and accurate voter registration lists.

### **Elections - Voters Pamphlet, Voter Outreach and Legal Advertising**

As required by the State Constitution, the Elections Division supplies voters with access to information about elections, candidates, and ballot measures via the Voter's Pamphlet, an online voter's guide, 24-hour telephone hotline, and legal advertisements. The division provides voting and election information to children, students, and young adults, as well as online access to election results reported in real time by county election offices.

### **Historical and Northwest Collections**

The State Library has the most complete collection of Washington State newspapers, including an archival collection dating back before statehood, providing a central location for this valuable historical record for scholarly, personal, and commercial reference. The State Library also maintains the original territorial library collection and major works of the Northwest.

### **Imaging Services and Microfilm Archiving**

This activity provides imaging services to state and local agencies to ensure permanent retention of essential records and documents of legal or historical significance. Services include imaging (filming, scanning, and digital conversion); creating an inventory; quality review and inspection; brown-toning for preservation; and off-site security storage of archival microfilm and images. (Archives and Records Management Account)

### **Information Technology**

This activity provides the agency with central oversight and coordination of technology, including, but not limited to agency servers maintenance, security software, virus programs, and connectivity of a general nature. (General Fund-State, various other funds)

### **Library Administration and Support**

This activity includes senior managerial and central support staff, as well as all facility-related and general supplies costs for the State Library. (General Fund-State, General Fund-Federal)

State Library activities that support visually-impaired citizens and historical collections will be retained, while library services to state agencies and to the Legislature will be discontinued. Activities funded by federal dollars (i.e., local library assistance) will also be retained. State Library activities that will continue include the following: Assistance to Local Libraries, Historical and Northwest Collections, On-Line Access to Governmental Information, Talking Book and Braille, and a portion of the Library Administration and Support activity and the Library Technical Services activity, to support continued overall State Library operations.

The Library Services to State Institutions activity is transferred to the Departments of Corrections and Social and Health Services, along with part of the associated funding; \$2.126 million for the Department of Corrections and \$435,000 for the Department of Social and Health Services. (General Fund-State)

### **Library Services to Legislature and Agencies #**

The State Library provides research and reference information and assistance to support the formulation and implementation of public policy. Services are provided via the web, by phone, and in-person, using both electronic and print resources, and are augmented by formal training programs on the use of library resources. Services are provided through state agency branch libraries and librarian liaisons assigned to state agencies and policy areas. Staff also maintains some of the library's special collections and regularly use these to provide reference and research services to state government.

This activity has been eliminated.

### **Library Services to State Institutions**

The State Library provides on-site and online library services from one central location to staff and residents at two institutions of the Department of Social and Health Services and ten adult correctional facilities of the Department of Corrections. Library and research services for practitioners in Washington psychiatric hospitals maintain Joint Commission of American Hospitals accreditation. Corrections libraries support educational and rehabilitation efforts for incarcerated residents and provide institutional staff with current digital and print-based professional research information.

The Library Services to State Institutions activity is transferred to the Departments of Corrections and Social and Health Services, along with part of the associated funding; \$2.126 million for the Department of Corrections and \$435,000 for the Department of Social and Health Services. The remaining funding associated with this activity, \$1.24 million, is removed from the Administration activity.

### **Library Technical Services**

This activity provides behind-the-scenes technical support to enhance the ability of library users to find and obtain needed materials, including procuring library materials, cataloging, and maintaining accurate records in an automated library system and database.

State Library activities that support visually-impaired citizens and historical collections will be retained, while library services to state agencies and to the Legislature will be discontinued. Activities funded by federal dollars (i.e., local library assistance) will also be retained. State Library activities that will continue include the following: Assistance to Local Libraries, Historical and Northwest Collections, On-Line Access to Governmental Information, Talking Book and Braille, and a portion of the Library Administration and Support activity and the Library Technical Services activity, to support continued overall State Library operations.

The Library Services to State Institutions activity is transferred to the Departments of Corrections and Social and Health Services, along with part of the associated funding; \$2.126 million for the Department of Corrections and \$435,000 for the Department of Social and Health Services.

## GOVERNMENTAL OPERATIONS

### **On-Line Access to Government Information**

The Washington State Library builds digital collections of state and local government information from more than 500 local and state agencies, as well as tribes, port districts, hospital districts, and Public Utility Districts. The purpose of this activity is to increase the public's access to government information through electronic means, in one location. This service supplements the online Ask George service.

### **Oral History Program #**

The program records, transcribes, and publishes the recollections of legislators, state officials, and citizens who have been involved with the state's political history. The publications document the formation of public policy in Washington State and demonstrate the roots of democratic government in the lives of citizens of the state for teachers and students of public affairs, current and future legislators, legislative staff, and others interested in the history of politics in the state. The program's mission is to gather and disseminate this history, which otherwise would be lost and inaccessible to researchers.

This activity has been eliminated.

### **Productivity Board #**

The Brainstorm and Teamwork Incentive Programs administered by the Productivity Board ensure that all state employees have access to a neutral process where their ideas can be heard, either as a team or individual. (Department of Personnel Services Account)

This activity is eliminated. State agencies' quality management programs will undertake many of the Board's responsibilities.

### **Public Affairs Broadcasting**

The Secretary of State's Office contracts with a non-profit organization to produce gavel-to-gavel television coverage of state government deliberations or other events of statewide significance. (General Fund-State)

Funding is not provided for the implicit price deflator increase.

### **Records Management**

Records Management is an integral part of managing the life cycle of state and local government records in an efficient and cost-effective manner, while preserving essential legal and historical archival records. Substantial space savings are achieved by timely destruction of records according to retention schedules approved by state and local records committees. Maintaining a central state records center achieves significant storage cost savings, and the document retrieval system provides efficient access to agency records. (Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)

### **State and Federal Document Depository**

The State Library serves as the designated depository for Washington State documents and the regional depository for all federal government publications to help ensure citizen access to their government information. Also, these documents are used extensively in providing reference and research services to state government agencies and the Legislature. (General Fund-State)

### **State Archives**

The primary mission of the State Archives is to preserve and make accessible the legal and historical documents of all executive, legislative, and judicial branch agencies, and all local governments. State Archives manages the life-cycle of all records and maintains public research facilities for reference and scholarship. The main facility in Olympia and five branches (Bellevue, Bellingham, Ellensburg, Cheney, and Olympia) ensure citizen access to local records while maintaining the security necessary for authentic records. Services include an online research catalog to collections, training and outreach, records preservation, conservation efforts, and a grant program. (Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)

An additional \$600,000 in disaster recovery funds are provided to allow the State Archives to provide immediate assistance to local governments with protecting and preserving archival documents in the event of an unanticipated disaster. (Archives and Records Management Account-Private/Local)



An additional \$580,000 is provided to contract services for the brown-toning (polysulfide treatment) of all essential local government security microfilm and complete the security microfilm project. (Archives and Records Management Account-Private/Local)

An additional \$143,000 is provided to the State Archives for off-site storage lease space and one temporary warehouse worker to consolidate records holdings. This will ensure that adequate storage space is available for the next 10 years or until the current State Archives Building in Olympia is expanded. Account fund balance will be used to fund this item; the archive revolving fund charge will not be increased. (Archives and Records Management Account)

An additional \$60,000 and one microfilm technician is provided to conduct a physical inventory of all state agency security microfilm and inspect all reels holding permanent, essential records. Account fund balance will fund this item; the archive revolving fund charge will not be increased. (Archives and Records Management Account-State)

An additional \$88,000 is provided to support increased State Archives preservation microfilming and local government archives preservation microfilming. Account fund balance will be used to fund this item. (Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)

#### **Talking Book and Braille**

The Talking Book and Braille Library provides free public library services to individuals statewide who are legally blind, visually impaired, or physically or learning disabled, and cannot read regular print. (General Fund-State, General Fund-Federal)

The funding for this activity is reduced by \$744,000 in the 2003-05 Biennium. (General Fund-State)

#### **Trademark Registration**

This activity provides the public with in-state trademark protection and evidence of first-use of the mark. Registration of the mark is a valuable alternative to federal registration when a filer does business only within Washington, and it provides critical evidence of first-use when used as supplemental documentation in a federal trademark application.

#### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTEs, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

## GOVERNMENTAL OPERATIONS

Agency 086

### Governor's Office of Indian Affairs

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	4.0	552		552
<b>Total Maintenance Level</b>	4.0	577		577
Difference		25		25
Percent Change from Current Biennium	0.0%	4.5%		4.5%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(4.0)	(577)		(577)
Create Real Jobs in Indian Country	.8	212		212
Expand Concept of Excellence in Education to Tribal Communities	.2	28		28
Help Tribes Bridge the Digital Divide	.2	28		28
Improve Access to Information	.2	28		28
Communications Between State, Federally Recognized Tribes and Urban Indians	.4	92		92
Improve Staff Productivity	.2	38		38
Promote Government Relations	.3	42		42
Promote Government-to-Government Training				
Employee-related and Internal Service Cost Adjustments		29		29
<b>Subtotal</b>	(1.7)	(80)		(80)
<b>Total Proposed Budget</b>	2.3	497		497
Difference	(1.7)	(55)		(55)
Percent Change from Current Biennium	(42.5)%	(10.0)%		(10.0)%

#### Create Real Jobs in Indian Country

The Governor's Office of Indian Affairs provides direct technical assistance to tribes, helping direct funds to tribal enterprises.

In an effort to create administrative efficiencies, the Commission on Asian Pacific American Affairs, Commission on African American Affairs, Commission on Hispanic Affairs, and the Governor's Office of Indian Affairs, are co-located and administrative functions are shared.

#### Expand Concept of Excellence in Education to Tribal Communities

The Office will conduct follow-up activities to the tribal/state education summit.

In an effort to create administrative efficiencies, the Commission on Asian Pacific American Affairs, Commission on African American Affairs, Commission on Hispanic Affairs, and the Governor's Office of Indian Affairs, are co-located and administrative functions are shared.

**Help Tribes Bridge the Digital Divide**

Work sessions are convened with educational institutions, contributors, and policy makers to continue developing programs while raising awareness and funds.

In an effort to create administrative efficiencies, the Commission on Asian Pacific American Affairs, Commission on African American Affairs, Commission on Hispanic Affairs, and the Governor's Office of Indian Affairs, are co-located and administrative functions are shared.

**Improve Access to Information**

The Governor's Office of Indian Affairs' website promotes the timely dissemination of information affecting tribes.

In an effort to create administrative efficiencies, the Commission on Asian Pacific American Affairs, Commission on African American Affairs, Commission on Hispanic Affairs, and the Governor's Office of Indian Affairs, are co-located and administrative functions are shared.

**Communications Between State, Federally Recognized Tribes and Urban Indians**

The Office produces the "Talking Stick," a newspaper covering state-tribal relations and policy issues affecting native people.

In an effort to create administrative efficiencies, the Commission on Asian Pacific American Affairs, Commission on African American Affairs, Commission on Hispanic Affairs, and the Governor's Office of Indian Affairs, are co-located and administrative functions are shared.

**Improve Staff Productivity**

Staff are engaged in strategic planning and increased training opportunities.

In an effort to create administrative efficiencies, the Commission on Asian Pacific American Affairs, Commission on African American Affairs, Commission on Hispanic Affairs, and the Governor's Office of Indian Affairs, are co-located and administrative functions are shared. One-time funding of \$10,000 General Fund-State is provided for the relocation of the Governor's Office of Indian Affairs.

**Promote Government Relations**

This activity provides for the coordination of the annual Centennial Accord meeting.

In an effort to create administrative efficiencies, the Commission on Asian Pacific American Affairs, Commission on African American Affairs, Commission on Hispanic Affairs, and the Governor's Office of Indian Affairs, are co-located and administrative functions are shared.

**Promote Government-to-Government Training**

Government-to-government training is conducted for federal, state, local, and tribal government employees, as well as stakeholders.

This activity has been transferred to the Department of Personnel.

Agency 087

**Commission on Asian Pacific American Affairs****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	2.7	441		441
<b>Total Maintenance Level</b>	2.3	423		423
Difference	(.4)	(18)		(18)
Percent Change from Current Biennium	(13.2)%	(4.1)%		(4.1)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(2.3)	(423)		(423)
Advocacy of Asian Pacific-American Community Issues	1.8	368		368
Employee-related and Internal Service Cost Adjustments		23		23
<b>Subtotal</b>	(.5)	(32)		(32)
<b>Total Proposed Budget</b>	1.8	391		391
Difference	(.9)	(50)		(50)
Percent Change from Current Biennium	(32.1)%	(11.3)%		(11.3)%

**Advocacy of Asian Pacific-American Community Issues**

The Commission advises the Legislature, Governor, and state agencies on the development and implementation of policies and programs that address the special needs and concerns of Asian Pacific Americans.

In an effort to create administrative efficiencies, the Commission on Asian Pacific American Affairs, Commission on African American Affairs, Commission on Hispanic Affairs, and the Governors Office of Indian Affairs, are co-located and administrative functions are shared.

Agency 090

## Office of State Treasurer

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	74.5		13,190	13,190
<b>Total Maintenance Level</b>	74.5		14,017	14,017
Difference			827	827
Percent Change from Current Biennium	0.0%		6.3%	6.3%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(74.5)		(14,017)	(14,017)
Accounting and Fiscal Services	13.9		2,294	2,294
Agency Management and Administrative Support Services	14.8		2,910	2,910
Banking Services	24.8		4,036	4,036
Debt Management Services	12.8		2,558	2,558
Investment Services	8.2		1,933	1,933
Employee-related and Internal Service Cost Adjustments			303	303
Staff Reductions and Operating Efficiencies	(2.4)		(506)	(506)
<b>Subtotal</b>	(2.4)		(489)	(489)
<b>Total Proposed Budget</b>	72.2		13,528	13,528
Difference	(2.3)		338	338
Percent Change from Current Biennium	(3.2)%		2.6%	2.6%

**Accounting and Fiscal Services**

The State Treasurer maintains a correct and current account of all monies received and disbursed, classified by fund or account. All cash activity is accounted for and electronically interfaced to the statewide Agency Financial Reporting System (AFRS), as well as the agency level accounting for investments, distributions, and debt management activity. (State Treasurer's Service Account)

**Agency Management and Administrative Support Services**

The State Treasurer, a constitutional officer elected to serve a four-year term, is the state's chief fiscal officer. The Treasurer's Office provides banking, investment, debt management, and accounting services for state government, keeping the books and managing taxpayers' money from the time it is collected in taxes until it is spent on programs by the Legislature. The Office receives the state's cash resources, invests the money each business day to earn interest, and disburses funds to numerous entities, including agencies, local governments, and retired state employees. (State Treasurer's Service Account)

## GOVERNMENTAL OPERATIONS

### Banking Services

The State Treasurer receives and deposits monies remitted to the state, and manages the disbursement of funds to state and local governments, vendors, beneficiaries, claimants, and employees. These banking services are provided to state agencies through the Cash and Warrant Management Division. The division promotes responsible financial practices to ensure the unimpeded inflow of monies to the state's bank accounts and the timely outflow of monies to payees. The warrant management section processes and maintains the records of warrants that bear the signature of the State Treasurer. The division also is responsible for the negotiation and management of numerous financial contracts and agreements, and works in cooperation with other state agencies in support of Digital Government initiatives. (State Treasurer's Service Account)

### Debt Management Services

Bond Retirement and Interest, Agency 010, is part of the Office of the State Treasurer, and is commonly referred to as Debt Management. The major functions include support to the State Finance Committee; debt issuance; the State/Local Lease Purchase Program; the School Bond Guarantee program; and payments to bondholders. (State Treasurer's Service Account)

### Investment Services

The Investment Division invests the state's operating and capital cash reserves for maximum return under defined risk parameters. The portfolios, including the Local Government Investment Pool (LGIP), earned \$397 million in fiscal year 2001. As of March 31, 2002, these portfolios totaled more than \$7.3 billion. The LGIP serves more than 400 local government cash managers. Pooled investments and other services allow local governments to share in the expertise of the State Treasurer and its investment staff, and reap the benefits of the economies of scale. (State Treasurer's Service Account)

### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 095

## Office of State Auditor

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	315.2	1,990	42,468	44,458
<b>Total Maintenance Level</b>	310.7	1,831	45,525	47,356
Difference	(4.5)	(159)	3,057	2,898
Percent Change from Current Biennium	(1.4)%	(8.0)%	7.2%	6.5%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(310.7)	(1,831)	(45,525)	(47,356)
Audit of School Programs	12.0	1,825		1,825
Audits of Local Government	197.9		31,994	31,994
Audits of State Government	87.8		12,935	12,935
Investigating Improper Governmental Actions	5.8		798	798
Local Government Budgeting, Accounting and Reporting System and Statistics	7.2		966	966
Employee-related and Internal Service Cost Adjustments		22	288	310
Staff Reductions and Operating Efficiencies	(27.4)	(208)	(2,627)	(2,835)
<b>Subtotal</b>	(27.4)	(192)	(1,171)	(1,363)
<b>Total Proposed Budget</b>	283.4	1,639	44,354	45,993
Difference	(31.9)	(351)	1,886	1,535
Percent Change from Current Biennium	(10.1)%	(17.6)%	4.4%	3.5%

**Audit of School Programs**

The School Programs audit team develops and coordinates audits targeted at General Fund money the state's 296 school districts receive based on reporting of student enrollment, teacher education and experience, and bus ridership. The team reviews the accuracy of the data submitted and establishes the specific amount to be repaid by or refunded to districts if inaccuracies are found. Team specialists also assist the state Special Education Safety Net Committee, work with staff of the Office of the Superintendent of Public Instruction, and provide training for school district staff regarding public accountability, fiscal integrity, and legal compliance. (General Fund-State)

**Audits of Local Government**

The State Auditor's Office (SAO) examines the financial activities of approximately 2,400 local governments, comprised of over 30 different government types including counties, cities, schools, ports, public utilities, hospital districts and fire districts. These examinations ensure public funds are accounted for and internal controls are in place to protect public resources. Also, SAO reviews local governments' compliance with federal and state laws and regulations. The results are reported to the public. (Municipal Revolving Account-Nonappropriated)

Internal security will be updated to authenticate the auditors accessing the SAO network from field offices throughout the state. The cost will be \$56,000 for this activity.

## GOVERNMENTAL OPERATIONS

SAO will move staff out of the General Administration Building and out of the Department of Social and Health Services offices to the Sunset Life Building when the Treasurer's Office moves back to the Legislative Building. The cost will be \$602,000 for tenant improvements, equipment, and increased rent.

### **Audits of State Government**

The State Auditor is one of nine elected officials in the executive branch. The State Auditor's Office (SAO) examines the financial activities of approximately 168 state agencies to ensure public funds are accounted for and internal controls are in place to protect public resources. Also, the SAO audits compliance with state and federal laws and regulations. Audit results are reported to the public. In addition, the SAO issues a statewide accountability report containing the results of its audits; audits the state's comprehensive annual financial report; produces a statewide federal single audit report; audits local funds; and performs forensic computer investigations and fraud investigations. (Auditing Services Revolving Account)

Internal security will be updated to authenticate the auditors accessing the SAO network from field offices throughout the state. The cost will be \$24,000 for this activity.

SAO will be moving staff out of the General Administration Building and out of the Department of Social and Health Services offices to the Sunset Life Building when the Treasurer's office moves back to the Legislative Building. The cost will be \$585,000 for this activity for tenant improvements, equipment and increased rent.

### **Investigating Improper Governmental Actions**

The Whistleblower Program provides state employees with a safe and confidential means to report improper governmental activity, or those actions that can impair the integrity of public servants and undermine the public's confidence in their work. SAO investigates and reports on the assertions of possible violations of federal or state laws or rules, gross waste of public funds, and/or actions that could pose a substantial and specific danger to public health or safety. The law also provides remedies to state employees who believe workplace reprisal or retaliatory action has occurred as a result of having filed, or provided information in connection with, a report of improper governmental action. (Auditing Services Revolving Account)

### **Local Government Budgeting, Accounting and Reporting System and Statistics**

SAO in collaboration with local governments, sets uniform accounting standards for local governments, allowing for consistent reporting of data, timely analysis, and greater public understanding. SAO helps local governments meet the standards by providing technical assistance and training. Each year, SAO works with local governments to update the Budgeting, Accounting, and Reporting Systems (BARS) manuals for local governments. Annually, SAO publishes a compilation of local government comparative statistics, a 10-year history of financial information for comparing entities and analyzing programs. (Municipal Revolving Account-Nonappropriated)

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)



Agency 099

## Commission on Salaries for Elected Officials

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	.9	231		231
<b>Total Maintenance Level</b>	1.2	232		232
Difference	.3	1		1
Percent Change from Current Biennium	35.3%	0.4%		0.4%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1.2)	(232)		(232)
Salary Setting for Elected Officials	1.2	224		224
Employee-related and Internal Service Cost				
Adjustments		13		13
Staff Reductions and Operating Efficiencies		(7)		(7)
<b>Subtotal</b>	.1	(2)		(2)
<b>Total Proposed Budget</b>	1.2	230		230
Difference	.4	(1)		(1)
Percent Change from Current Biennium	41.2%	(0.4)%		(0.4)%

### Salary Setting for Elected Officials

The Constitution and state law direct the Commission to set the salaries of the state's elected officials, including the Governor, Lieutenant Governor, Secretary of State, Treasurer, Auditor, Attorney General, Superintendent of Public Instruction, Commissioner of Public Lands, and Insurance Commissioner; members of the Legislature; Justices of the Supreme Court; and judges of the Courts of Appeals, Superior Courts, and District Courts. The Commission is required to set the salaries in accordance with the duties of their office. The salary setting process begins with the adoption of a proposed salary schedule upon which the public is invited to comment. Following a series of public hearings and work sessions, a biennial salary schedule is adopted, filed with the Secretary of State, and becomes law 90 days after filing, unless overturned by voter referendum. (General Fund-State)

### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

GOVERNMENTAL OPERATIONS

Agency 100

Office of Attorney General

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,097.8	12,187	162,472	174,659
<b>Total Maintenance Level</b>	1,145.6	9,871	175,069	184,940
Difference	47.8	(2,316)	12,597	10,281
Percent Change from Current Biennium	4.4%	(19.0)%	7.8%	5.9%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,145.6)	(9,871)	(175,069)	(184,940)
Civil Commitment of Sexually Violent Predators	12.8		3,640	3,640
Criminal Investigation and Prosecution	4.5	807	416	1,223
Enforcement of Anti-Trust Laws	13.9	57	2,738	2,795
Enforcement of Consumer Protection Laws	52.5	6,924	1,192	8,116
Executive Ethics Board	3.2		697	697
Homicide Investigation Tracking System				
Investigation and Defense of Tort Lawsuits			2,672	2,672
Investigation and Prosecution of Medicaid Fraud and Resident Abuse	21.1	729	3,079	3,808
Legal Services to State Agencies	1,035.0		160,440	160,440
Employee-related and Internal Service Cost Adjustments		120	3,171	3,291
Staff Reductions and Operating Efficiencies	(69.3)	(170)	(3,414)	(3,584)
Self-Insurance Premiums			674	674
<b>Subtotal</b>	(71.8)	(1,404)	236	(1,168)
<b>Total Proposed Budget</b>	1,073.8	8,467	175,305	183,772
Difference	(24.1)	(3,720)	12,833	9,113
Percent Change from Current Biennium	(2.2)%	(30.5)%	7.9%	5.2%

**Civil Commitment of Sexually Violent Predators**

The Civil Commitment of Sexually Violent Offenders unit is responsible for investigating, filing, and prosecuting all sexually violent predator cases in Washington, except those filed in King County which are handled by the King County Prosecutor's Office. The unit was created to develop and maintain a group of attorneys and support staff whose expertise is in issues of legal and mental health associated with sexually violent predator cases. The unit handles all aspects of each sexually violent predator case, including pre-filing investigation, consultation with mental health experts, records review, pre-trial discovery, motions, evidentiary hearings, trial, appeals, annual review, and less restrictive alternative proceedings. (Legal Services Revolving Account-State)

### **Criminal Investigation and Prosecution**

Upon the request of the Governor, prosecuting attorney, or legislative committee, the Attorney General's staff investigates and brings criminal charges against those who have violated certain criminal statutes. Cases can involve governmental corruption, organized crime, white collar crime with a multi-county or statewide impact, or other cases with special circumstances. Staff also provides training to criminal justice professionals through the Washington State Criminal Justice Training Commission. (General Fund-State, Public Safety and Education Account-State)

### **Enforcement of Anti-Trust Laws**

Staff members of the Attorney General's Office enforce state and federal laws against anti-competitive practices such as bid rigging, price fixing, and market allocations. They also review mergers and acquisitions involving large corporations and significant segments of markets for potential antitrust problems. (General Fund-State, Anti-Trust Revolving Account-Nonappropriated)

### **Enforcement of Consumer Protection Laws**

The Attorney General's staff enforces state laws, recommends changes in existing state law, and provides education to protect consumers and legitimate businesses from unfair or deceptive trade practices. In addition to investigations and litigation, the Office provides extensive information to consumers and businesses, and conciliates consumer/business disputes. The Office recovers restitution and civil penalties for the state and for individual consumers by processing complaints and litigation, most frequently involving landlords/tenants, mail order, motor vehicle purchase and repair, retail operations, home improvement, mobile homes, real estate, and collections. Under Washington State's Lemon Law, the Office processes and provides arbitration of consumers' complaints concerning new automobiles. (General Fund-State, New Motor Vehicle Arbitration Account-State)

### **Executive Ethics Board**

The Executive Ethics Board enforces Chapter 154, Laws of 1994, and rules adopted under it with respect to statewide elected officers as well as officers and employees of the executive branch, including boards and commissions and institutions of higher education. The Office provides staff to support the board, investigate complaints, and bring civil action against any person who violates the provisions of the ethics laws.

Funding for this activity is changed from General Fund-State to the Legal Services Revolving Account. This fund switch will achieve General Fund-State savings of approximately \$697,000.

### **Homicide Investigation Tracking System**

The Homicide Investigation Tracking System (HITS) is a program within the Attorney General's Office that tracks and investigates homicides and rapes. It is the only statewide central repository for information relating to violent crimes against persons. Data from more than 6,400 murder investigations and more than 7,200 sexual assaults has been collected through HITS, and has been used to assist local law enforcement in the investigation of these crimes. Typically, each year HITS will respond to almost 800 requests for assistance or information. The investigators who work in HITS also provide expertise to the local and national jurisdictions on homicide and rape investigations.

This activity has been eliminated.

### **Investigation and Defense of Tort Lawsuits**

The Office of the Attorney General defends tort lawsuits brought against the state, its agencies, and employees. The majority of cases are based upon actions brought under theories of negligence in such things as highway design, release of inmates, accidents on state property, medical malpractice, child care and custody, auto accidents, false arrests, and unreasonable force cases. Staff also handles employment law and personnel cases. (Legal Services Revolving Account-State)

### **Investigation and Prosecution of Medicaid Fraud and Resident Abuse**

The Medicaid Fraud Control Unit within the Office of the Attorney General is federally required to investigate and prosecute crimes of fraud and resident abuse committed by Medicaid providers. The Unit is the sole enforcement entity responsible for policing Medicaid expenditures. (General Fund-State, General Fund-Federal, Public Safety and Education Account-State)

## GOVERNMENTAL OPERATIONS

### Legal Services to State Agencies

The Office of the Attorney General provides legal advice and representation to over 230 state agencies, boards, and commissions, which collectively have a broad range of program responsibility. In addition to representing agencies in litigation, the Office provides legal advice on issues such as personnel, contracts and public records, and specialized program advice. Some program responsibilities supported by the Office include state and federal benefit programs administered by state agencies, state licensing and regulatory programs, state agency custodial programs, higher education institutions, natural resources programs, state agency capital construction and equipment acquisitions, state agency revenue and collection programs, and economic development and enterprise activities. (Legal Services Revolving Account-State)

The Department of Social and Health Services requires additional legal assistance for the following reasons: the Children's Administration is experiencing additional court cases related to foster children; the Division of Developmental Disabilities has a significant increase in individual challenges to service decisions; the Long Term Care Administration has a backlog of requested legal services related to adult protective service cases; the Medical Assistance Administration anticipates litigation as a result of reduced reimbursement to provider groups; and the Mental Health Division has increased needs related to the Special Commitment Center. The Office of the Attorney General is provided \$1,633,000 and 6.6 FTE staff years to address these needs.

Funding is also provided for the culvert case (\$863,000 and 2.0 FTE staff years). The court has framed the issue as whether the state is "affirmatively diminishing the number of fish available for harvest" by "build[ing] and manag[ing] its roadway culverts in a fashion that impermissibly blocks the passage of fish destined for the Tribes' usual and accustomed fishing ground." Trial is anticipated in December 2003. Agencies involved in the case include the Departments of Transportation, Natural Resources, Fish and Wildlife, Ecology and the Washington State Parks and Recreation Commission.

In July 2000, political parties in Washington State filed suit in federal court against the Secretary of State, alleging the blanket primary statutes are unconstitutional. The case is currently pending in the Ninth Circuit Court of Appeals and has a potential for filing in the United States Supreme Court. Funding is provided to pay for legal services associated with the case, including attorney time and expert witnesses (\$134,000 and 0.5 FTE staff years).

Two divisions will relocate during the 2003-05 Biennium. The Torts Division is presently located in a building with health and safety problems (including mold and mildew, leaking roof, walls, and windows, and a flooding parking lot) which the landlord will not address. The Attorney General Revenue Division has been sharing office space with the Department of Revenue. The Department is moving from the current building, and the Attorney General staff will move to a separate building. A total of \$403,000 is provided to cover these relocation expenses.

### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

**Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

Agency 101

**Caseload Forecast Council****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	7.0	1,257		1,257
<b>Total Maintenance Level</b>	7.0	1,279		1,279
Difference		22		22
Percent Change from Current Biennium	0.0%	1.8%		1.8%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(7.0)	(1,279)		(1,279)
Caseload Forecasting	7.0	1,234		1,234
Employee-related and Internal Service Cost Adjustments		53		53
Staff Reductions and Operating Efficiencies		(16)		(16)
<b>Subtotal</b>		(8)		(8)
<b>Total Proposed Budget</b>	7.0	1,271		1,271
Difference		14		14
Percent Change from Current Biennium	0.0%	1.1%		1.1%

**Caseload Forecasting**

The Caseload Forecast Council prepares the official caseload forecasts for the state of Washington for the following entitlement programs: public assistance programs, state correctional institutions, state correctional non-institutional supervision, state institutions for juvenile offenders, the common school system, long-term care, medical assistance, foster care, and adoption support. The official caseload forecasts are produced three times each year. By law, forecasts adopted by the Caseload Forecast Council are the basis of the Governor's budget document and are utilized by the Legislature in the development of the omnibus biennial appropriations act. (General Fund-State)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 102

## Department of Financial Institutions

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	140.3		24,392	24,392
<b>Total Maintenance Level</b>	139.3		24,387	24,387
Difference	(1.0)		(5)	(5)
Percent Change from Current Biennium	(0.7)%		(0.0)%	(0.0)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(139.3)		(24,387)	(24,387)
Agency Management and Administrative Support Services	20.7		3,616	3,616
Bank Consumer Protection	1.5		287	287
Bank Regulation	.5		96	96
Supervision and Enforcement	1.9		356	356
Licensing and Chartering	20.0		2,806	2,806
Communication, Public Outreach Education, and Resolving Complaints	33.5		5,641	5,641
Investigation	2.9		517	517
Examination	55.3		10,327	10,327
Regulation	1.1		164	164
Money Transmitters	6.0		884	884
Employee/Internal Svc Cost Adjust			252	252
Staff Reductions and Operating Efficiencies	(4.0)		(218)	(218)
<b>Subtotal</b>	.0		341	341
<b>Total Proposed Budget</b>	139.4		24,728	24,728
Difference	(1.0)		336	336
Percent Change from Current Biennium	(0.7)%		1.4%	1.4%

#### Agency Management and Administrative Support Services

Administrative and technical support to the Department of Financial Institutions includes policy advice, facilitation, personnel and financial services, and information systems. The staff provides the support and framework to other agency activities in order to effectively carry out the agency mission. (Financial Services Regulation Account)

Funding is provided for an information systems and electronic banking examination personal services contract.

#### Bank Consumer Protection

This activity investigates customer complaints to protect the interests of depositors, borrowers, shareholders, and consumers. This activity is self-supporting. Banks are assessed fees based on their total assets. (Financial Services Regulation Account)

## GOVERNMENTAL OPERATIONS

### Bank Regulation

The purpose of this activity is to issue rules under Washington Administrative Code 208; propose legislation related to RCW Titles 30, 32, and 33; and offer legal opinions regarding these rules and statutes. This activity is self-supporting. Banks are assessed fees based on their total assets. (Financial Services Regulation Account)

### Supervision and Enforcement

The Department of Financial Institutions conducts off-site analyses to detect institutional and industry trends, and issues enforcement actions to foster changes in institutions that require corrective action. This is done to ensure institutions operate in a safe and sound manner. This activity is self-supporting. Banks, credit unions, and regulated persons are assessed fees based on their total assets and billed at an hourly rate for examinations. (Financial Services Regulation Account)

### Licensing and Chartering

The Department evaluates and approves new applications, mergers, conversions, branches, and corporate governance changes for banks and credit unions. To protect the public from dishonest and fraudulent practices, the Department also licenses securities brokers, investment advisors and their representatives, mortgage brokers, check cashers/sellers, payday lenders, consumer loan companies, and escrow agents. This activity is self-supporting from assessments made to those regulated. (Financial Services Regulation Account)

### Communication, Public Outreach Education, and Resolving Complaints

To protect the public, the Department provides a variety of communication and education materials regarding the business practices of the banking, credit union, securities broker, investment advisor, mortgage broker, check casher/seller, payday lender, consumer loan, and escrow agent industries. The Department also receives and processes consumer complaints pertaining to these businesses, renders findings, and works to resolve issues. (Financial Services Regulation Account)

### Investigation

The Department protects consumers by enforcing the statutes and regulations governing banks, credit unions, securities brokers, investment advisors and their representatives, mortgage brokers, check cashers/sellers, payday lenders, consumer loan companies, and escrow agents. (Financial Services Regulation Account)

### Examination

To ensure state-chartered banks and credit unions are operating in a safe and sound manner and in compliance with statutes, rules, and regulations, the Department conducts regular examinations of these institutions. This activity is self-supporting from fees paid by these institutions. (Financial Services Regulation Account)

### Regulation

The Department regulates securities brokers, investment advisors, mortgage brokers, check cashers/sellers, payday lenders, consumer loans, commodity transactions, and escrow agents to protect the public from dishonest and fraudulent practices. (Financial Services Regulation Account)

### Money Transmitters

In order to protect consumers and prevent money laundering, the Department conducts periodic examinations, investigates possible illegal activity, and performs administrative enforcement actions of firms that transmit funds to other locations. (Financial Services Regulation Account)

Funding is provided to implement this new service.



**Employee/Internal Svc Cost Adjust**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

GOVERNMENTAL OPERATIONS

Agency 103

Community, Trade, and Economic Development

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	325.6	131,799	223,738	355,537
<b>Total Maintenance Level</b>	320.7	123,003	255,913	378,916
Difference	(4.9)	(8,796)	32,175	23,379
Percent Change from Current Biennium	(1.5)%	(6.7)%	14.4%	6.6%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(320.7)	(123,003)	(255,913)	(378,916)
International Trade Assistance to Specific Trade Sectors	14.0	2,270	140	2,410
Research New International Trade Opportunities	4.0	391		391
International Trade: Foreign Offices		2,038		2,038
International Trade for Small Business Assistance		638		638
Site, Monitor and Regulate Energy	20.4	477	13,190	13,667
Assist Innovative Businesses		5,676		5,676
Assistance to Local Economic Development	35.1	7,366	10,387	17,753
Tourism	13.3	8,239	157	8,396
Financial Assistance to Business	4.3	673	40	713
Film Office				
Construction of Affordable Housing	46.9	100	55,609	55,709
Provide Shelter to the Homeless	3.5	10,170	10,395	20,565
Provide Housing to the Ill and Disabled	.3		1,280	1,280
Ensure Quality and Equity in Manufactured Homes	2.0		793	793
Public Infrastructure Assistance	10.0		1,932	1,932
Distribution of Funds for Local Purposes	32.7	310	79,271	79,581
Growth Management Assistance	26.5	10,461		10,461
Archeology and Historic Preservation	13.9	1,322	1,582	2,904
State Building Code Council	6.0		1,069	1,069
Emergency Food, Heat, and Sexual Assault Treatment	14.9	11,215	62,709	73,924
Access to Justice	4.2		15,269	15,269
Advocacy	14.3	319	3,784	4,103
Developmentally Disabled Endowment Fund	1.9		697	697
Volunteer Service Coordination				
Early Childhood Education Assistance	15.5	53,724		53,724
Industries of the Future		250		250
Local Government Fiscal Notes				
Assistance to Disadvantaged Small Businesses	2.0	500	1	501
Employee-related and Internal Service Cost Adjustments		309	286	595
Staff Reductions and Operating Efficiencies	(12.4)	(336)	(248)	(584)
<b>Subtotal</b>	(47.4)	(6,891)	2,430	(4,461)
<b>Total Proposed Budget</b>	273.4	116,112	258,343	374,455
Difference	(52.2)	(15,687)	34,605	18,918
Percent Change from Current Biennium	(16.0)%	(11.9)%	15.5%	5.3%

### **International Trade Assistance to Specific Trade Sectors**

Washington is the fifth largest exporter in the United States, with total exports of \$35 billion in 2001. This program strengthens and diversifies the state economy by promoting the expansion of international business in target markets and industries. The primary industry focus includes transportation, aerospace, and marine; electronics and scientific instruments; forest and wood products; special machinery; medical equipment and biotechnology; information and communications technology; and environment and energy. (General Fund-State, General Fund-Private/Local)

### **Research New International Trade Opportunities**

This program surveys Washington companies to determine what services best fit the needs of businesses that are interested in or are already exporting overseas. This information helps to refocus services and to target markets and industries. Staff members coordinate the Governor's trade missions by serving as the liaison between several state agencies planning logistics, developing the itinerary, providing research, and preparing delegate briefings. (General Fund-State)

### **International Trade: Foreign Offices**

The Department maintains offices in Paris, Seoul, Shanghai, Taipei, and Tokyo to provide assistance to Washington exporters for new and expanded sales opportunities. These offices also handle tourism, education, and investment inquiries from parties interested in Washington. The number of Washington companies assisted by these offices in Fiscal Year 2002 was 582. (General Fund-State)

### **International Trade for Small Business Assistance**

This program provides training and education for local small to mid-sized businesses, local economic development councils, chambers, and other partners in trade-related services and cooperative programming. It provides services that include trade leads; distributor and buyer lists; trade shows; market intelligence; advocacy and counseling; industry seminars and workshops; export finance assistance; and clearinghouse and referrals. The total number of Washington companies assisted in Fiscal Year 2002 was 653. (General Fund-State)

Targeted local export development assistance in Bellingham, Spokane, and to Cintrafor is eliminated.

### **Site, Monitor and Regulate Energy**

The Energy Policy Division distributes federal funds and manages contracts for implementation of energy efficiency and renewable energy activities, including those conducted by the Washington State University (WSU) Energy Program. Via a contract with WSU, the division develops and maintains up-to-date data and analysis of Washington's energy production, use, and consumption patterns. The division is responsible for the security and reliability of the state's energy infrastructure, including electricity, petroleum, and natural gas. The division also develops state energy policy siting standards; oversees electricity siting proceedings; works to expand Washington's clean energy industry; and represents state interests on regional and federal energy issues.

The Energy Facility Site Evaluation Council (EFSEC) provides a one-stop siting process for major energy facilities in the state of Washington and alternative energy facilities wishing to participate in the EFSEC process. EFSEC conducts application and environmental reviews, including adjudicative proceedings and public hearings, to determine if proposed facilities meet federal, state, and local standards. EFSEC makes recommendations to the Governor regarding siting requests, and recommends requirements for construction and operation of projects to meet EFSEC's federally delegated permits. EFSEC monitors construction and operation of facilities for compliance with permit conditions, or delegates authority to state and local governments. EFSEC also ensures that effective, coordinated nuclear emergency response plans are in place. The Governor has directed EFSEC to work with key stakeholders to improve the energy facility siting process and, specifically, to develop quantifiable siting standards for power plant construction to help applicants and interveners better understand the state's expectations and attain full compliance with environmental laws and rules. Under state law, all applicants for energy facility siting and site permit holders are required to pay all EFSEC's costs associated with the application or permit. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Energy Account)

## GOVERNMENTAL OPERATIONS

### **Assist Innovative Businesses**

The agency contracts with the Washington Technology Center (WTC) to aid the center in its work to support the highest growth sector of the state economy. WTC facilitates partnerships between universities and private industry to develop and transfer innovative technology to meet the needs of business in targeted industries. This activity generates revenues and supports the creation of new jobs and businesses. (General Fund-State)

### **Assistance to Local Economic Development**

The Economic Development Division works with local organizations to attract, retain, and expand economic activity. Services include providing technical assistance with permit processes and revitalization of business districts; financing publicly-owned infrastructure improvements for development; and facilitating private investment through marketing partnerships and business development referrals. Specific programs include business and project development, the Community Economic Revitalization Board, downtown revitalization, community development finance, funding for local economic development organizations, and state and federal pass-through funds (rural opportunity fund, Columbia Gorge, groundfish, old growth diversification and Yakima enterprise community). (General Fund-State, General Fund-Federal, General Fund-Private/Local, Administrative Contingency Fund, Public Facility Construction Loan Revolving Account)

### **Tourism**

The Tourism Office markets the state as a travel destination and provides assistance to the state's tourism industry through statewide, regional, and community marketing and product development. It seeks to increase revenues for the state, with emphasis on increasing visitor spending in rural or undervisited areas or those communities that have identified tourism as part of their economic development strategy. (General Fund-State, General Fund-Private/Local)

### **Financial Assistance to Business**

Revolving loan programs are offered to businesses and communities throughout the state, especially in rural areas. Staff provide technical assistance to applicants, and monitor loans that have been granted. (General Fund-State, General Fund-Private/Local)

The Child Care Advantages and Facility Fund is eliminated. Savings are \$48,000 General Fund-State.

### **Film Office**

The Film Office markets the state for the production of motion pictures, television series and movies, commercials, documentaries, industrial films, music videos, and new media formats. Since 1992, it has assisted 1,273 productions filmed on location in Washington. State and local revenues are generated when production companies hire local crew and talent, rent and purchase equipment, lease sites for filming, and house and feed production staff. The office serves as a liaison with local, state, and federal agencies, and provides assistance with permitting information, housing, production and sound stage space, and community outreach. (General Fund-State)

This activity is eliminated. Savings are \$879,000 General Fund-State.

### **Construction of Affordable Housing**

More than 405,000 low-income households in Washington pay a disproportionate share of their income for housing. These activities provide safe, decent, and affordable housing for residents by constructing housing infrastructure; constructing or rehabilitating low-income housing; providing rental assistance; repairing homes; weatherizing homes for energy efficiency; securing energy utility rate discounts; providing operating and maintenance assistance; and providing technical assistance to housing developers. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Low Income Weatherization Assistance Account, Energy Account, Community and Economic Development Fee Account, Washington Housing Trust Account)

The number of long-term loans is steadily increasing, resulting in increasing costs to adequately evaluate and process loans, and to monitor repayment and compliance with long-term qualification rules. In order to defray the impact to the state, the Department is establishing a loan origination fee and a monitoring and inspection fee. These fees are anticipated to generate \$1.2 million per biennium. In addition, administrative costs in the amount of \$1.7 million are shifted from General Fund-State to the Washington Housing Trust Account.

**Provide Shelter to the Homeless**

Shelter activities provide operating assistance to shelter providers and low-income rental housing projects; rental assistance to people at risk of homelessness; funding for minor repairs to shelters; and services to the homeless to become self-sufficient. For each year of the 2003-05 biennium, these activities are expected to provide 1,530,525 bed nights and services to 17,720 households. (General Fund-State, General Fund-Federal, Washington Housing Trust Account)

The number of long-term loans is steadily increasing, resulting in increasing costs to adequately evaluate and process loans, and to monitor repayment and compliance with long-term qualification rules. In order to defray the impact to the state, the Department of Community, Trade and Economic Development is establishing a loan origination fee and a monitoring and inspection fee. These fees are anticipated to generate \$1.2 million per biennium. In addition, administrative costs in the amount of \$1.7 million are shifted from General Fund-State to the Washington Housing Trust Account.

**Provide Housing to the Ill and Disabled**

Activities for housing to the ill and disabled include shelter, rental assistance, counseling, job training, financial assistance to avert homelessness, operating assistance for community-based housing for mentally ill, and the construction or rehabilitation of housing for persons with AIDS. For each year of the next biennium, these activities are expected to provide services to 58 households and 420 individuals. (General Fund-Federal, Washington Housing Trust Account)

**Ensure Quality and Equity in Manufactured Homes**

The Office of Manufactured Housing serves as a statewide clearinghouse for inquiries concerning manufactured housing. Activities include providing information on laws and regulations, resolving landlord-tenant conflicts, training and certifying installers, resolving structural and product defect complaints, and providing relocation assistance to homeowners forced to move because of park closures. For each fiscal year of the next biennium, the program will respond to 850 requests for assistance, certify 400 manufactured home installers, and relocate 20 homes. (General Fund-Federal, Mobile Home Park Relocation Account, Manufactured Home Installation Training Account)

**Public Infrastructure Assistance**

The Public Works Trust Fund develops and implements a loan selection process; disburses \$125 million per year in loan draws; manages contracts with local governments; and provides technical assistance to local governments under contract with the state. The program also provides matching funds to secure the federally-funded Drinking Water State Revolving Fund. (Public Works Assistance Account)

**Distribution of Funds for Local Purposes**

The Local Government Division distributes and manages state and federal resources to provide an array of services, such as those addressing violent crime, substance abuse, community and economic development infrastructure needs, and food and shelter assistance. It also distributes federal and state resources to meet specific legislative mandates, such as the Columbia Gorge Scenic Area and the Municipal and Criminal Justice Account. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Violence Reduction and Drug Enforcement Account)

The Drug Prosecution Assistance Program is eliminated, saving \$514,000 in the Violence Reduction and Drug Enforcement Account.

Proposed legislation will standardize the distribution of Municipal Criminal Justice Assistance Account funds to counties and cities in place of a cumbersome application process. Administrative savings of \$82,000 General Fund-State are achieved through this efficiency.

**Growth Management Assistance**

Growth Management Services offers grants, data, training, technical publications, and guidance to local governments to assist them in carrying out planning requirements under the Growth Management Act. Staff review and comment on draft comprehensive plans and regulations proposed by local governments. (General Fund-State)

## GOVERNMENTAL OPERATIONS

### Archeology and Historic Preservation

The Office of Archaeology and Historic Preservation is the sole agency for protecting and advocating for Washington's cultural resources, buildings, structures, districts, archaeological sites, and traditional cultural places. Under the National Historic Preservation Act of 1966, the state historic preservation officer must be consulted on every federal action to determine potential impacts to historic properties and on ways to avoid, minimize, or mitigate the harm of any such impacts. (General Fund-State, General Fund-Federal)

Interagency agreement FTE staff years are eliminated.

### State Building Code Council

The State Building Code Council reviews and approves amendments to the state building code. The Council appoints advisory groups representing affected industry and government organizations to review national model codes and propose state and national amendments to enhance consistency among the states. The staff provides support to the Council and advisory groups, and technical assistance to the construction industry and the public. Staff members also conduct studies on building and fire codes as required by the Legislature. (Building Code Council Account)

### Emergency Food, Heat and Sexual Assault Treatment

Emergency Food, Heat and Treatment funds core services for individuals and families are provided through three programs. The Emergency Food Assistance Program provides funding and technical assistance to local organizations, food banks, and tribes to combat hunger. The Low-Income Home Energy Assistance Program is funded by federal block grant funds and helps 50,000 low-income households pay their home heating costs each year. The Office of Crime Victims Advocacy administers and coordinates funding for sexual assault programs, which serve 17,000 new victims each year. It works with community organizations and agencies to provide a range of sexual assault services, such as information and referral services, crisis intervention, legal advocacy, prevention, general advocacy, support groups, therapy, and medical social work. (General Fund-State, General Fund-Federal, Public Safety and Education Account, Violence Reduction and Drug Enforcement Account)

### Access to Justice

Access to Justice funds ensure legal representation and consultation services for individuals and families on domestic violence proceedings and civil actions, such as family law, elder abuse, wills, Social Security benefits, and guardianships. It also provides funds and technical assistance to local law enforcement, prosecution, victim advocacy groups, and courts to improve the criminal justice system's response to violence against women. Specific programs include Civil Indigent Legal Services; Domestic Violence Legal Advocacy Program; Grants to Encourage Arrest Policies Program (training advocates on the use of protection orders); and STOP (Services, Training, Officers, Prosecutors) Grants. (General Fund-State, General Fund-Federal, Public Safety and Education Account, Violence Reduction and Drug Enforcement Account)

General Fund-State is eliminated from the Civil Indigent Legal Services program, for savings of \$1.7 million.

### Advocacy

Advocacy funds provide a variety of services to families and individuals in Washington. They include representation for minors in juvenile or family court; advocacy and outreach for individuals with developmental disabilities and their families; ombudsmen to resolve complaints of elderly and disabled residents of nursing homes, adult family homes, and other long-term care facilities; and support of victims of crime programs, prostitution prevention and intervention services, and sexual violence prevention and education efforts. Specific programs include: Court-Appointed Special Advocates (CASA) and Guardian-Ad-Litem (GAL); Developmental Disabilities Council; Long-Term Care Ombudsman; Prostitution Prevention; Rural Domestic Violence; and Office of Crime Victims Advocacy. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Public Safety and Education Account)

The Long-Term Care Ombudsman Program is eliminated, for General Fund-State savings of \$1.2 million.

The Court-Appointed Special Advocates and Guardian-Ad-Litem Program is eliminated, for General Fund-State savings of \$409,000.

### **Developmentally Disabled Endowment Fund**

The Developmental Disabilities Endowment Fund was established to offer special needs trusts to persons with developmental disabilities to enhance the quality of their lives. These trusts allow money to be saved without interfering with eligibility requirements for public benefits such as Social Security and Medicaid. Using \$5 million from the Developmental Disabilities Endowment Trust Account, the matching program is expected to assist about 1,600 individuals. (General Fund-State, Community and Economic Development Fee Account)

Customers of the Endowment Program pay fees to establish and manage the individual trust accounts. Fees are sufficient to fund administrative costs of the program in the 2003-05 Biennium and future years. Expenditures are shifted from the General Fund-State to the Community and Economic Development Fee Account beginning in Fiscal Year 2004.

### **Volunteer Service Coordination**

The Retired Senior Volunteer Program (RSVP) is designed to recruit volunteers from the retired or senior communities to enable a broad range of social service, education, and other local community programs to expand services far beyond what could be provided using paid staff. (General Fund-State)

This program is eliminated.

### **Early Childhood Education Assistance**

The Early Childhood Assistance Program (ECEAP) uses a "whole child" approach to address children's educational and social-emotional development, health, nutrition, family support, and other factors that impact their ability to succeed in school. Services are offered year-round, five days a week. The targeted population is three and four-year-old children and their families, whose incomes are at or below 110 percent of the federal poverty level. ECEAP operates locally through 36 contractors -- school districts, educational service districts, local governments, nonprofit organizations, childcare providers, community colleges, and tribal organizations -- at 260 sites statewide. (General Fund-State)

### **Industries of the Future**

The Industries of the Future strategy is designed to establish Washington as a leader in emerging, strategic industries in which we already have a significant competitive advantage. This includes three technology-based industries, value added agriculture, and a regional program that will offer regions incentives and assistance in identifying their own strategic clusters and for working together to promote them. (General Fund-State)

### **Local Government Fiscal Notes**

The Local Government Fiscal Note program estimates the impacts of proposed legislation on local governments and incorporates this analysis into fiscal notes which are used in legislative deliberations. Fiscal impacts are determined through surveys, data models, review of published reports and online databases, and direct consultation with state and local government officials. The program received over 470 requests in the 2002 Legislative Session. (General Fund-State)

This program is transferred from the Department of Community, Trade and Economic Development to the Municipal Research Council. The Council has ready access to information necessary to prepare the fiscal notes, and efficiencies are anticipated. General Fund-State savings are \$366,000.

### **Assistance to Disadvantaged Small Businesses**

With the elimination of the Office of Minority and Women's Business Enterprises, the business certification services necessary to establish and maintain eligibility for federal programs and funding are transferred to the Department of Community, Trade and Economic Development (CTED). CTED will provide support to socially and economically disadvantaged businesses, including those owned and controlled by women and minorities. Activities include providing technical assistance services targeted to socially and economically disadvantaged businesses; certification of small businesses that are owned and controlled by ethnic minorities, women, and socially and economically disadvantaged persons; and facilitating access to business development resources and capital. (General Fund-State)

## GOVERNMENTAL OPERATIONS

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)



Agency 104

## Economic and Revenue Forecast Council

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	5.2	1,029		1,029
<b>Total Maintenance Level</b>	5.2	1,039		1,039
Difference		10		10
Percent Change from Current Biennium	0.0%	1.0%		1.0%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(5.2)	(1,039)		(1,039)
Revenue Forecasting	5.2	1,017		1,017
Employee-related and Internal Service Cost				
Adjustments		25		25
Staff Reductions and Operating Efficiencies		(6)		(6)
<b>Subtotal</b>		(3)		(3)
<b>Total Proposed Budget</b>	5.2	1,036		1,036
Difference		7		7
Percent Change from Current Biennium	0.0%	0.7%		0.7%

### Revenue Forecasting

The Economic and Revenue Forecast Council is an independent body that prepares revenue and economic forecasts for the Governor and the Legislature. It monitors changes in the economic outlook throughout the year to anticipate shifts in revenue collections. This allows the legislative and executive branches to plan for the most likely revenue projections in preparation of the state budget. (General Fund-State)

### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

GOVERNMENTAL OPERATIONS

Agency 105

Office of Financial Management

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	235.7	25,599	46,003	71,602
<b>Total Maintenance Level</b>	257.0	27,138	49,395	76,533
Difference	21.4	1,539	3,392	4,931
Percent Change from Current Biennium	9.1%	6.0%	7.4%	6.9%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(257.0)	(27,138)	(49,395)	(76,533)
Population Estimates, Forecasts and Census Data	8.0	1,284	242	1,526
Accounting Services for Other Agencies	12.0	270		270
Assessment Payments on State Lands		124		124
Budget Driver and Expenditure Forecasts, Research and Monitoring	8.0	1,284	100	1,384
Central Financial Systems Development and Maintenance	67.0	2,581	18,946	21,527
Collective Bargaining	11.0		2,283	2,283
Criminal History Federal Grant	1.0		1,719	1,719
Governor's Budget Development	41.2	7,273		7,273
Permit Assistance Center	5.0	500		500
Personal Service and Client Service Contracts	4.6	929		929
Risk Management	22.8	626	3,228	3,854
Statewide Accounting Policies and Reporting	22.6	2,781	880	3,661
Statewide Economic and Revenue Forecasts, Fiscal Planning and Research	7.3	1,283		1,283
Statewide Policy Development for Governor's Office	30.5	5,320	254	5,574
Washington Commission for National and Community Services	10.0	963	21,600	22,563
WorkFirst Program	6.0	156		156
K-12 Finance	2.5	1,500		1,500
Employee-related and Internal Service Cost Adjustments		1,491	54	1,545
Staff Reductions and Operating Efficiencies	(7.3)	(324)	(16)	(340)
<b>Subtotal</b>	<b>(4.8)</b>	<b>903</b>	<b>(105)</b>	<b>798</b>
<b>Total Proposed Budget</b>	<b>252.3</b>	<b>28,041</b>	<b>49,290</b>	<b>77,331</b>
Difference	16.6	2,442	3,287	5,729
Percent Change from Current Biennium	7.0%	9.5%	7.1%	8.0%

### **Population Estimates, Forecasts and Census Data**

The Office of Financial Management's (OFM) Population Center produces the official population figures for the state, cities, towns, and counties. The statutorily required Center provides the current and future population estimates that are needed for statewide economic and revenue forecasts and fiscal planning activity, budget driver and expenditure forecast activity, and the Initiative 601 spending limit. The Center is also responsible for all statutes using population size as criteria for program administration/eligibility for the allocation of millions of dollars to local governments, and for other budget and program planning activities. The Center certifies all municipal boundary changes in Washington, acts as liaison to the federal Bureau of the Census for state and local agencies, and assists the Bureau with decennial census and product distribution activities through the State Data Center Program. (General Fund-State, Violence Reduction and Drug Enforcement Account)

### **Accounting Services for Other Agencies**

OFM provides comprehensive, cost-effective accounting, budgeting, and payroll services to small agencies. Small Agency Client Services (SACS) serves as the fiscal officer, financial advisor, budget officer, and service coordinator to these agencies. SACS saves the state money by consolidating the budget, payroll, and accounting services of small agencies. (General Fund-State)

The SACS rate increase included in the maintenance level revolving fund line item reduces the need for General Fund-State funding by \$43,000.

### **Assessment Payments on State Lands**

OFM pays taxes and other assessments against state-owned lands in accordance with RCW 79.44.

### **Budget Driver and Expenditure Forecasts, Research and Monitoring**

The Budget Driver, Expenditure Forecasts, Research, and Monitoring unit supports the fiscal planning, budget monitoring, and risk management functions of the Office of Financial Management. The unit develops and provides data and quantitative analysis for the state's health care, human services and K-20 education programs in support of budget development; provides staffing for OFM's role on the Caseload Forecast Council; gives OFM the ability to monitor expenditures and identify the sources of rapid expenditure growth; and provides technical assistance to agency staff in the analysis of program expenditures and the development of information systems to support cost containment and risk management. (General Fund-State, General Fund-Federal)

### **Central Financial Systems Development and Maintenance**

OFM's Central Financial Systems Development and Maintenance section develops, implements, maintains, and supports statewide financial systems for use by state agencies. The financial systems provided by OFM include accounting, budgeting, and reporting systems that allow agencies to manage their financial operations and budget performance. OFM centrally provides these core financial systems so that each agency does not have to develop, operate, and maintain these systems individually, ensuring the maintenance of accurate and centralized accounting of the state's financial operations. (General Fund-State, Data Processing Revolving Account)

### **Collective Bargaining**

OFM represents the Governor in collective bargaining negotiations for wages, hours, and working conditions for represented classified employees, including those in higher education. As a result of legislation passed by the 2002 Legislature, OFM will negotiate all master contracts and provide guidance for all supplemental bargaining. The first contracts must be submitted to the Legislature for approval with the Governor's 2005-07 budget request. (Labor Relations Service Account)

### **Criminal History Federal Grant**

OFM coordinates, administers, and monitors multiple federal justice grants, which are passed through to multiple state agencies and local jurisdictions in the form of interagency and interlocal agreements to support planning and implementation of Washington State's Justice Information Network (JIN). The JIN ensures that any justice practitioner in the state will have complete, timely, and accurate information about any suspect or offender. Information will include criminal history and current justice status, come from data that has been entered only once, and be available in a single computer session from automated statewide systems. (General Fund-Federal)

## GOVERNMENTAL OPERATIONS

### Governor's Budget Development

OFM's Budget Division assists in the development of the Governor's budget proposal to the Legislature. Primary activities include evaluating budget requests from state agencies and providing the Governor with recommendations for funding levels; preparing the Governor's budget proposal; assisting the Governor in establishing financial, budget, and program policies for the state; and monitoring agency implementation of executive and legislative budget objectives. (General Fund-State)

### Permit Assistance Center

The Permit Assistance Center coordinates permit assistance activities with various state agencies. It oversees the customer service, permit facilitation and coordination, and other activities within the permit assistance program in the Department of Ecology. It also oversees the contract with Ecology for permit assistance activities; works with businesses and project proponents on permitting issues and helps answer questions regarding state, federal, and local agency processes; and works with the Special Assistant to the Governor for Business to streamline regulatory processes and assist business. (General Fund-State)

### Personal Service and Client Service Contracts

OFM's Personal Services and Client Services Contracts section develops and maintains statewide contract policies for personal services and client services based on state regulations. Contract staff members consult with agencies regarding contract and procurement issues to ensure agencies are appropriately expending contract dollars and provide contract training to state agencies. The staff also provides review and approval of approximately 1,200 personal service contracts filed with OFM annually to oversee state agency contract practices and compliance with statutory requirements under RCW 39.29. (General Fund-State)

### Risk Management

The Risk Management Program identifies, controls, and reduces the financial impact of general liability, vehicle, and property losses to the state, and develops programs to finance the state's exposure to risk. In addition, the program protects the beneficiaries and assets of local government self-insurance programs through effective regulation. Services provided include administering a self-insurance program to finance tort losses; purchasing commercial insurance on behalf of state agencies; receiving, processing, delegating, and investigating state agency tort claims and legislative relief claims; maintaining a comprehensive master database of all claims; providing training to state agencies on how to lessen risks associated with tort liabilities; and approving and regulating local government property/liability risk pools and health/welfare employee benefit programs. (General Fund-State, Risk Management Administration Account)

### Statewide Accounting Policies and Reporting

The Statewide Accounting Policies and Reporting Section develops and maintains state administrative and accounting policies for payroll, travel, federal grants, accounting, and reporting. Policies incorporate federal and state regulations, as well as national accounting standards. The staff consults with and provides training to state agency personnel on the policies. The Statewide Accounting unit also monitors financial data for compliance with the policies and prepares a number of reports for the public. Reports include the state's Comprehensive Annual Financial Report, the Audit Resolution Report, and the federally mandated Single Audit Report. (General Fund-State, Data Processing Revolving Account, Auditing Services Revolving Account)

### Statewide Economic and Revenue Forecasts, Fiscal Planning and Research

The Forecasting Division supports statewide fiscal planning, and budget and revenue monitoring functions of OFM directly related to the development of the Governor's budget and the management of biennial budgets. The Forecasting Division provides analysis of the impact of major events, social and economic trends, and public policies on the state economy and revenues. It supports OFM's role on the Economic and Revenue Forecast Council and Expenditure Limit Committee. It statutorily provides official fiscal impact statements for statewide ballot measures. The Division provides statewide revenue, expenditure, and expenditure limit information (Six Year Outlook) to support the preparation of the Governor's budget and the evaluation of biennial budgets in terms of risks and sustainability. The Division also provides analysis and recommendations to the Governor for the development of revenue and tax policy. (General Fund-State)

**Statewide Policy Development for Governor's Office**

The Executive Policy Office performs policy research and analysis for the Governor, and works with agencies and OFM budget staff in the development of proposed legislation and the Governor's budget proposal. (General Fund-State, General Fund-Federal)

**Washington Commission for National and Community Services**

The Washington Commission for National and Community Services was created by the Governor in 1994 as part of the National and Community Service Trust Act of 1993 to implement AmeriCorps and support other national service initiatives throughout the state. Currently, the Commission receives approximately \$14 million annually in competitive federal funds supporting 15 programs that address major state and gubernatorial priorities. One of the largest programs, the Washington Reading Corps, places 250 members in needy elementary schools to raise reading levels of struggling readers. The Commission will also have major priorities and programs as part of the national Citizen Corps that will support volunteers in homeland security activities. Commission staff support a 25-member gubernatorial appointed commission that sets policy, identifies goals, and establishes priority needs that national service should address. In addition, the Commission utilizes service as a strategy to help address gubernatorial priorities, ensures compliance with federal grant policies, and assesses the impact of national service investments in the state. (General Fund-State, General Fund-Federal)

**WorkFirst Program**

OFM provides the staff support necessary to oversee the Governor's planning and implementation of Washington State's welfare reform initiative called WorkFirst. This program helps financially struggling families find jobs, keep their jobs, get better jobs, and build a better life for their children. (General Fund-State)

**K-12 Finance**

Funding is provided to conduct a K-12 Finance Study. (\$1,500,000 General Fund-State, 2.5 FTE staff years)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 110

**Office of Administrative Hearings****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	137.7		22,864	22,864
<b>Total Maintenance Level</b>	147.7		25,033	25,033
Difference	10.0		2,169	2,169
Percent Change from Current Biennium	7.3%		9.5%	9.5%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(147.7)		(25,033)	(25,033)
Administrative Hearings for Clients of Department of Licensing (DOL)	1.0		145	145
Administrative Hearings for Clients of Department of Social and Health Services	57.0		8,899	8,899
Administrative Hearings for Clients of the Employment Security Department	85.7		14,885	14,885
Administrative Hearings for Clients of the Superintendent of Public Instruction	2.0		532	532
Administrative Hearings for Other Agencies			50	50
Administrative Hearings for the Liquor Control Board (LCB)	2.0		257	257
Employee-related and Internal Service Cost Adjustments			319	319
Staff Reductions and Operating Efficiencies	(3.7)		(184)	(184)
Self-Insurance Premiums			61	61
<b>Subtotal</b>	(3.7)		(69)	(69)
<b>Total Proposed Budget</b>	144.0		24,964	24,964
Difference	6.3		2,100	2,100
Percent Change from Current Biennium	4.6%		9.2%	9.2%

**Administrative Hearings for Clients of Department of Licensing (DOL)**

The Office of Administrative Hearings (OAH) holds impartial administrative hearings on behalf of the Department of Licensing (DOL) for the adjudication of disputes between members of the public and the agency. Primary issues in this area include professional and business licenses. (Administrative Hearings Revolving Account)

**Administrative Hearings for Clients of Department of Social and Health Services**

The Office of Administrative Hearings (OAH) holds impartial administrative hearings on behalf of the Department of Social and Health Services (DSHS) for the adjudication of disputes between members of the public and the agency. Issues that come before OAH include public assistance disputes, including food stamp eligibility and disqualification; eligibility issues; child care assistance disputes; child support issues; facility/personal licensing issues; and juvenile rehabilitation parole and reimbursement issues. OAH receives requests for hearings from the agency or appellants, schedules hearings, and collects all evidence and distributes it to relevant parties. An administrative law judge conducts hearings and issues written decisions. (Administrative Hearings Revolving Account)

**Administrative Hearings for Clients of the Employment Security Department**

The Office of Administrative Hearings (OAH) holds impartial administrative hearings on behalf of the Employment Security Department (ESD) for the adjudication of disputes between members of the public and the determinations made by the agency. Issues that come before OAH include all issues related to eligibility for unemployment insurance compensation, and can be brought to the agency either by the person receiving unemployment insurance or by the last employer. OAH receives a notice of appeal from ESD and schedules a hearing within federal time lines, and issues nearly all decisions in this caseload within 90 days of the appeal being filed with the agency. (Administrative Hearings Revolving Account)

**Administrative Hearings for Clients of the Superintendent of Public Instruction**

The Office of Administrative Hearings (OAH) holds impartial administrative hearings on behalf of the Office of Superintendent of Public Instruction (OSPI) for the adjudication of disputes between members of the public and the agency, or local school districts. Issues that come before OAH include special education service plans, teacher certification, bus driver disputes, food program appeals, and equal education opportunity claims. (Administrative Hearings Revolving Account)

**Administrative Hearings for Other Agencies**

The Office of Administrative Hearings (OAH) holds impartial administrative hearings on behalf of governmental entities on an ad hoc basis, for the adjudication of disputes between members of the public and the respective agency. Because these services are performed by judges assigned to other caseloads, this activity serves to reduce the billing to the agency that the judge is normally assigned. Also included are whistleblower cases for local governments such as counties, cities, and schools. (Local Government Administrative Hearings Account-Nonappropriated)

**Administrative Hearings for the Liquor Control Board (LCB)**

The Office of Administrative Hearings (OAH) holds impartial administrative hearings on behalf of the Liquor Control Board for the adjudication of disputes between members of the public and the agency. Issues that come before the office include liquor license revocation, among others. (Administrative Hearings Revolving Account)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

**Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 Biennium.

Agency 111

**Department of Personnel****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	216.9		33,347	33,347
<b>Total Maintenance Level</b>	208.9		43,615	43,615
Difference	(8.0)		10,268	10,268
Percent Change from Current Biennium	(3.7)%		30.8%	30.8%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(208.9)		(43,615)	(43,615)
Combined Fund Drive				
Employee Advisory Service				
Executive Recruitment				
Governor's Internship Program				
Human Resource Information Systems				
Job Classification and Compensation				
Recruitment, Testing and Referral of Job				
Candidates to Agencies				
Workforce Training and Career Development Services				
<b>Subtotal</b>	(208.9)		(43,615)	(43,615)
<b>Total Proposed Budget</b>				
Difference	(216.9)		(33,347)	(33,347)
Percent Change from Current Biennium	(100.0)%		(100.0)%	(100.0)%

**Combined Fund Drive**

The Combined Fund Drive (CFD) provides a convenient method for state employees and public agency retirees to contribute to charities. The CFD was implemented in 1985 to consolidate numerous charitable fund raising campaigns being conducted on state work sites and to increase the effectiveness for charities by expanding access to payroll deduction. The annual CFD campaign saves charities the time and expense of conducting multiple fund-raising campaigns, so more money goes directly to providing needed services. In 2000, more than 26,000 contributors gave over \$4.2 million to participating charities through the Combined Fund Drive. Thanks to the efforts of more than 3,000 volunteers, 95 cents of every dollar given goes directly to designated charities. (Department of Personnel Service-State)

This activity has been transferred to the Department of Human Resources.



### **Employee Advisory Service**

Beginning in 1972, the Employee Advisory Service (EAS) became the state's Employee Assistance Program, serving approximately 60,000 merit system employees and their families. EAS also contracts with non-merit system entities, such as the Washington State Ferries, institutions of higher education, and municipalities. EAS provides confidential, no-charge assistance to employees and family-members, identifying and resolving a wide variety of personal problems affecting their job; assistance to the work organization in addressing productivity issues; supervisor training programs to help address on-the-job behavioral problems; training on topics including managing change, reduction-in-force workshops for employees, supervisors, and others; Critical Incident Management Services and follow-up services; Federal Department of Transportation/Substance Abuse Professional Services mandated by Federal Department of Transportation Legislation; and coordination of independent medical evaluations for threat assessment and/or fitness for duty coordination. The Employee Advisory Service's mission is to support and enhance employee performance and to promote a safe and productive working environment for Washington State employees. (Department of Personnel Service-State)

This activity has been transferred to the Department of Human Resources.

### **Executive Recruitment**

As the state's in-house executive recruitment resource, Executive Search Services (ESS) was established in 1992 to work with hiring authorities in Washington's public sector on executive-level searches and recruitment. Program services include job description development, candidate evaluation criteria, and search strategy. ESS is a central point of contact in the search for the client agency, stakeholders and candidates, and coordinates all logistical arrangements. ESS provides candidate assessment, recommendations to the client, assistance in the development of interview questions, facilitation of the interview process and subsequent decision-making process, and conducts full background checks. (Department of Personnel Service-State)

This activity has been transferred to the Department of Human Resources.

### **Governor's Internship Program**

The Governor's Internship Program was created in statute (RCW 43.06) to benefit college and university students, permanent state employees, and state agencies as an employment program designed to attract outstanding individuals from a variety of diverse social and cultural backgrounds who have an interest in, and commitment to, a career in public service. College students have an opportunity to gain valuable work experience and knowledge in various areas of state government. Permanent state employees, regardless of academic standing, receive new or enriched work experiences in a setting different than their permanent job. Individuals participating in the program attend various training and developmental assignments.

This activity has been eliminated.

### **Human Resource Information Systems**

State agencies' and the Department of Personnel's (DOP) business units depend upon the Human Resource Information Systems Division to maintain technology systems and applications that support payroll, retirement, insurance, recruitment, employment referrals, training, federal programs, and human resource information access and distribution. These business functions are supported by four computing platforms: mainframe, local area network, client/server, and the web (Intranet and Internet). The general public and state employees access DOP websites for information regarding services, employment-related information, and applying for state jobs. (Data Processing Revolving Account-Nonappropriated)

This activity has been transferred to the Department of Human Resources.

## GOVERNMENTAL OPERATIONS

### **Job Classification and Compensation**

The Department of Personnel (DOP) and the Personnel Resources Board (PRB) develop and revise job classifications and associated compensation levels for classified employees in general government agencies and state higher education institutions to reflect the needs of management and provide career opportunities for employees. The Department also conducts a Total Compensation Survey every two years to provide recommendations to the Office of Financial Management, the Governor, and legislative committees regarding state employee salaries. DOP reviews the establishment of exempt positions in general government agencies to ensure they meet one of the exemption criteria required under state law. Salaries for new exempt positions or positions that change band level are reviewed by DOP and PRB, as well as agencies' exempt banding policies and procedures. The Department staffs and supports the State Committee on Agency Official's Salaries (SCOAS). DOP established the Washington Management Service (WMS) and developed guidelines to assist agencies in implementing WMS. (Department of Personnel Service-State and Higher Education Personnel Services)

This activity has been transferred to the Department of Human Resources.

### **Recruitment, Testing and Referral of Job Candidates to Agencies**

Assisting state agencies in filling job openings throughout state government is one core business function of the Department of Personnel (DOP). DOP's Recruitment, Assessment, and Customer Service teams recruit a diverse candidate pool, screen applicants for minimum qualifications, and devise and administer assessment tools to ensure candidates are qualified. Candidates are ranked and entered into a database. The ranked candidate list is then provided to employers via an automated system. During Calendar Year 2001, 57,000 applications were processed by DOP, which resulted in state agencies filling 5,493 permanent job openings. (Department of Personnel Service-State and Higher Education Personnel Services-State)

This activity has been transferred to the Department of Human Resources.

### **Workforce Training and Career Development Services**

Although all state agencies provide some degree of 'in house' training, the Legislature and Office of Financial Management recognize that these activities can often be conducted more economically and efficiently on an interagency basis. Therefore, DOP is the only agency required by state law to provide comprehensive training and career development services for state agencies. Under this mandate, DOP provides a wide range of practical professional development and career services focusing on the skill development needed for common workplace situations and issues state employees and managers are likely to need and use in the workplace. (Department of Personnel Service-State)

This activity has been transferred to the Department of Human Resources.

Agency 113

## Department of Human Resources

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2003-05 Expenditure Authority</b>				
<b>Performance Changes (Activities)</b>				
Agency Management and Administrative Services	64.9		15,324	15,324
Combined Fund Drive				
Employee Advisory Service	9.0		776	776
Executive Recruitment	2.0			
Information Systems Support Services	48.5		13,559	13,559
Human Resource Information Systems	69.0		24,092	24,092
Job Classification and Compensation	49.5		6,629	6,629
Recruitment, Testing and Job Referral	45.2		5,253	5,253
Workforce Training Services	20.0		2,661	2,661
Deferred Compensation - Public Employees	19.9		3,798	3,798
Dependent Care Program Management	2.5		394	394
Public Employer Support Services	29.0		3,522	3,522
State Retirement Services	94.6		9,521	9,521
Employee-related and Internal Services Cost				
Adjustment			314	314
Staff Reductions and Operating Efficiencies	(19.1)			
<b>Subtotal</b>	<b>435.0</b>		<b>85,843</b>	<b>85,843</b>
<b>Total Proposed Budget</b>	<b>435.0</b>		<b>85,843</b>	<b>85,843</b>
Difference	435.0		85,843	85,843
Percent Change from Current Biennium	100.0%		100.0%	100.0%

#### Agency Management and Administrative Services

The Department's management activities include executive leadership, budget, fiscal and legal services, policy and planning support to the Governor on pension issues, project and record keeper management, personnel, member communications and other administrative support services. (Department of Personnel Service-State, Department of Retirement Systems Expense Account)

Funding is provided to build a secure web-based application that will provide members the ability to access their retirement account information.

This activity has been transferred from Department of Retirement Systems and Department of Personnel.

## GOVERNMENTAL OPERATIONS

### Combined Fund Drive

The Combined Fund Drive (CFD) provides a convenient method for state employees and public agency retirees to contribute to charities. The CFD was implemented in 1985 to consolidate the numerous charitable fund raising campaigns being conducted on state work sites and to increase the effectiveness for charities by expanding access to payroll deduction. The annual CFD campaign saves charities the time and expense of conducting multiple fund-raising campaigns, so more of the money raised can go directly to providing needed services. In 2000, more than 26,000 contributors gave over \$4.2 million dollars to participating charities through the Combined Fund Drive. Because of the efforts of more than 3,000 volunteers, 95 cents of every dollar given goes directly to the designated charities. (Department of Personnel Service-State)

This activity has been transferred from the Department of Personnel.

### Employee Advisory Service

The Employee Advisory Service mission is to support and enhance employee performance and to promote a safe and productive working environment for Washington State employees. Employee Advisory Service also contracts with non-merit system entities such as the Washington State Ferries, institutions of higher education, and municipalities. EAS provides confidential, no-charge assistance to employees and family members, identifying and resolving a wide variety of personal problems affecting their job. EAS also provides assistance to the work organization in addressing productivity issues, supervisor training programs to help address behavioral problems on the job, training on various topics and reduction-in-force workshops for employees and supervisors. (Department of Personnel Service-State)

This activity has been transferred from the Department of Personnel.

### Executive Recruitment

Executive Search Services (ESS) provides assistance to hiring authorities in Washington's public sector on executive-level searches and recruitment. ESS provides candidate assessment, recommendations to clients, assistance in the development of interview questions, facilitation of the interview process and subsequent decision-making process, and conducts full background checks. (Department of Personnel Service-State)

This activity has been transferred from the Department of Personnel.

### Information Systems Support Services

The Department receives and manages essential information and records for retirement plan members and retirees. Information support includes database management, systems development, electronic communications support, system maintenance and troubleshooting, data collection and processing, and disbursement processing. (Department of Retirement Systems Expense Account)

Funding is provided to build a secure web-based application that provides members the ability to access their retirement account information.

Fallen heroes survivor benefits funding is provided for modification to the Department's information system. This programming modification is necessary for the state to meet federal requirements.

Funding is provided for a Plan 3 member contribution rate programming modification so that members will be provided with an annual opportunity to change their contribution rate.

This activity has been transferred from the Department of Retirement Systems.

### **Human Resource Information Systems**

State agencies and the Department's business units depend upon the Human Resource Information Systems Division (HRISD) to maintain technology systems and applications that support payroll, retirement, insurance, recruitment, employment referrals, training, federal programs, and human resource information access and distribution. These business functions are supported by four computing platforms: mainframe, local area network, client/server, and the web (Intranet and Internet). The general public and state employees access the Department's websites for information regarding services, employment, and applying for state jobs. (Data Processing Revolving Account-Nonappropriated)

This activity has been transferred from the Department of Personnel.

### **Job Classification and Compensation**

The Department and the Personnel Resources Board (PRB) develop and revise job classifications and associated compensation levels for classified employees in general government agencies and state higher education institutions to reflect the needs of management and provide career opportunities for employees. (Department of Personnel Service-State, Higher Education Personnel Services-State)

This activity has been transferred from the Department of Personnel.

### **Recruitment, Testing and Job Referral**

Assisting state agencies to fill job openings throughout state government is one of the core business functions of the Department. Recruitment, Assessment and Customer Service teams recruit a diverse candidate pool, screen applicants for minimum qualifications, devise and administer assessment tools to ensure candidates are qualified, and provide selection consultation. (Department of Personnel Service-State, Higher Education Personnel Services-State)

This activity has been transferred from the Department of Personnel.

### **Workforce Training Services**

Although all state agencies provide some degree of in-house training, the Legislature and Office of Financial Management recognize that these activities can often be conducted more economically and efficiently on an interagency basis. The Department is the only agency required by state law to provide comprehensive training and career development services for state agencies. Under this mandate, the agency provides a wide range of practical professional development and career services that focus on building skills needed for common workplace situations and issues that most state employees and managers are likely to need and use in the workplace. (Department of Personnel Service-State)

This activity has been transferred from the Department of Personnel.

### **Deferred Compensation - Public Employees**

The Deferred Compensation Program enables eligible public employees to defer a portion of their earnings under a series of investment plans on a before-tax basis until retirement or termination of employment with the state. This activity also includes a supplemental retirement program serving more than 190 judges. (Deferred Compensation Account)

This activity has been transferred from the Department of Retirement Systems.

### **Dependent Care Program Management**

This program enables eligible employees to set aside a before-tax portion of their compensation for reimbursement of their dependent care expenses. (Deferred Compensation Account)

This activity has been transferred from the Department of Retirement Systems.

## GOVERNMENTAL OPERATIONS

### **Public Employer Support Services**

This activity contains the unit responsible for conducting field audits of and providing training to nearly 1,300 public employers, assuring their compliance with state laws and regulations. The Employer Support Services Unit also receives and processes essential member information submitted by public employers.  
(Department of Retirement Systems Expense Account)

This activity has been transferred from the Department of Retirement Systems.

### **State Retirement Services**

The Department serves active, retired, and inactive members of the Public Employees', School Employees', Teachers', Law Enforcement and Firefighters', Washington State Patrol, and Judicial Retirement Systems. These services include determining eligibility for retirement, educating and counseling prospective retirees, processing disability and death adjustments, and computing retirement benefits, deductions, and benefit adjustments.  
(Department of Retirement Systems Expense Account)

Funding is provided to build a secure web-based application that provides members the ability to access their retirement account information.

Fallen heroes survivor benefits funding is provided for modification to the Department's information system. This programming modification is necessary for the state to meet federal requirements.

Funding is provided for a Plan 3 member contribution rate programming modification so that members will be provided with an annual opportunity to change their contribution rate.

This activity has been transferred from the Department of Retirement Systems.

Agency 116

## State Lottery

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	148.8		812,814	812,814
<b>Total Maintenance Level</b>	146.5		885,991	885,991
Difference	(2.3)		73,177	73,177
Percent Change from Current Biennium	(1.5)%		9.0%	9.0%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(146.5)		(885,991)	(885,991)
Planning and Research	3.0		752	752
Administrative Services	9.5		3,542	3,542
Commissions			73,400	73,400
Communications	5.8		3,964	3,964
Director's Office	9.8		2,296	2,296
Financial Services and Budget Services	13.8		1,986	1,986
Game Vendors			27,642	27,642
Information Services	14.0		4,007	4,007
Legal Services	2.0		610	610
Marketing	7.8		23,138	23,138
Prizes			719,400	719,400
Retailer Services	10.0		986	986
Sales	67.3		13,122	13,122
Security	3.8		1,224	1,224
Transfer to King County			8,228	8,228
Employee-related and Internal Service Cost				
Adjustments			480	480
Staff Reductions and Operating Efficiencies	(6.7)		(336)	(336)
<b>Subtotal</b>	(6.4)		(1,550)	(1,550)
<b>Total Proposed Budget</b>	140.1		884,441	884,441
Difference	(8.7)		71,627	71,627
Percent Change from Current Biennium	(5.8)%		8.8%	8.8%

### Planning and Research

The Planning and Research Section is responsible for providing appropriate objective information upon which to make proactive business decisions. The information is based upon sound research techniques and thorough analyses. Tactical and strategic research activities of the Section include agency planning efforts, market research, revenue projections, sales analyses, new product development, primary research, including product testing and other related activities, and secondary industry research. The activities of the Section are primarily in support of the Director's Office and Marketing and Sales. (Lottery Administrative Account, State Lottery Account-Nonappropriated)

## GOVERNMENTAL OPERATIONS

### Administrative Services

Administrative Services is responsible for facility management, vehicles leasing, agency supplies, risk management, purchasing, records retention, and scratch ticket distribution. (Lottery Administrative Account, State Lottery Account-Nonappropriated)

### Commissions

Commissions are paid to retailers who sell Lottery products. (Lottery Administrative Account, Shared Game Lottery Account-Nonappropriated, State Lottery Account-Nonappropriated)

### Communications

The Washington Lottery Communication's Division is charged with developing and implementing strategic communications plans and objectives for the Lottery, consistent with the overall agency mission and goals. Providing clear, accurate information about the Lottery's role as a unique state agency and strong Washington business is accomplished in a number of ways, including representing the Lottery as official spokespersons to the public, media, retail customers, and other key audiences; working closely in communities throughout the state to develop strong community outreach programs that benefit Washington citizens and strengthen the Lottery's business; and writing, designing, editing, and coordinating production of internal/external agency communications, including maintaining a strong Internet presence. (Lottery Administrative Account, Shared Game Lottery Account-Nonappropriated, State Lottery Account-Nonappropriated)

### Director's Office

The Director and Deputy Director are responsible for the overall management of the employees and operations of the agency. The Director's Office includes the following functions: Internal Audit, which provides an independent appraisal of the review of operations as a service to management; Employee Services, which is responsible for personnel programs and has the responsibility for administering the agency Affirmative Action, Equal Opportunity, and Accessibility Programs; and the Quality Initiative Manager who applies specialized knowledge of total quality management and organizational development techniques to ensure that agency efforts to eliminate waste, duplication, and delays in service are innovative, and successful. (Lottery Administrative Account)

### Financial Services and Budget Services

Financial Services is a support organization within the Lottery whose primary role is to provide complete financial services with the highest level of integrity possible. These financial services include accounting, investing, banking, audit support, and financial analysis. Budget Services is a support operation and is responsible for all aspects of the budget process for the Lottery. It tracks agency and program budgets and monitors for compliance with legislative intent. (Lottery Administrative Account, State Lottery Account-Nonappropriated)

The Washington State Lottery Commission implemented the Mega Millions multi-jurisdictional lottery game in September 2002. The Commission requires one financial analyst position to support additional data collection, reconciliation, analysis and reporting required as a result of the implementation of this new multi-state game.

### Game Vendors

Payments are made to online and scratch product vendors. (Shared Game Lottery Account-Nonappropriated, State Lottery Account-Nonappropriated)

### Information Services

The Lottery's Information Services Division is responsible for providing cost-effective, quality automated systems and reliable production services to the other Lottery divisions. The Division plans, develops, implements, and manages the information technology systems and services for all Lottery operations, including telecommunications. They also manage the Information Technology operations of the gaming systems, internal control system, and local area network and wide area network services. (Lottery Administrative Account, State Lottery Account-Nonappropriated)

The Washington State Lottery Commission implemented the Mega Millions multi-jurisdictional lottery game in September 2002. The Commission requires one programmer position to help process the significant increase in lottery sales and prize payout data associated with the implementation of this new multi-state game.



The Washington State Lottery Commission will hire a computer security specialist to enhance the protection of Lottery assets from unauthorized access, destruction, or tampering. This new staff member will conduct additional comprehensive security reviews, evaluations, and systems analysis to ensure the security of Lottery information technology operations. (Lottery Administrative Account)

### **Legal Services**

Legal Services provides legal review of operational policies and procedures; acts as the agency contract officer; represents the agency in administrative hearings; tracks trademark applications; and serves as agency liaison with the Attorney General's Office. (Lottery Administrative Account)

The Commission's online electronic gaming vendor contract will expire in June 2006. In 2004, the Commission will contract with the Department of General Administration and/or a private firm for specialized assistance in the procurement process and online electronic gaming acceptance testing. The next online vendor contract is expected to cost in excess of \$10 million per year, with a six-to-ten year contract commitment.

### **Marketing**

The Marketing activity develops and implements the Lottery's strategic marketing plan. (Lottery Administrative Account, Shared Game Lottery Account-Nonappropriated, State Lottery Account-Nonappropriated)

### **Prizes**

Payments are made to Lottery games winners. (Shared Game Lottery Account-Nonappropriated, State Lottery Account-Nonappropriated)

### **Retailer Services**

The Lottery's Retailer Services Division delivers timely, cost-effective, quality services to retailers, players, and staff to support the Lottery's sales and marketing efforts. The Division licenses new retailers, makes collections from retailers, processes bank account changes, coordinates the installation of online terminals at retailer locations, issues retailer credits, answers the Lottery's toll-free line, processes and pays mailed-in winning tickets, validates jackpot claims, performs debt checks and collects against winner payments, changes the status on scratch game packs, explains how accounting and inventory reports work, explains how the terminals work, assists with Korean and Spanish language translation, and oversees the smooth operation of the online vendor contract. (Lottery Administrative Account)

### **Sales**

The Sales activity supports the marketing plan through telemarketing, corporate account managers, headquarters staff, six regional offices, and 33 district sales representatives. The Sales Department ensures correct distribution of scratch games, prime replacement of sale material in retailer locations, retailer training and development, selling techniques, and efficiencies allowing each retailer to maximize sales and reduce expenses. (Lottery Administrative Account, Shared Game Lottery Account-Nonappropriated, State Lottery Account-Nonappropriated)

The Washington State Lottery Commission implemented the Mega Millions multi-jurisdictional lottery game in September 2002. The Commission requires one district sales representative and a part-time customer service specialist in the Retail Services Division to effectively administer this new multi-state game. Both positions are required to acquire additional retail game outlets and to provide retailer support during high jackpots.

### **Security**

Lottery Security is responsible for the integrity of the lottery drawings and equipment; security of scratch tickets; security of lottery facilities; investigating crimes under the lottery statute; and conducting background checks on retailers, vendors, and contractors, as well as lottery employment applicants. Security works with local law enforcement on crimes related to lottery products. (Lottery Administrative Account)

The Washington State Lottery Commission implemented the Mega Millions multi-jurisdictional lottery game in September 2002. The Commission requires one security investigator position to undertake the increased security responsibilities necessitated by this new multi-state game.

## GOVERNMENTAL OPERATIONS

### **Transfer to King County**

The Lottery is responsible for the funds necessary for debt service payments on the bonds used to build Safeco Field.  
(State Lottery Account-Nonappropriated)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 117

**Washington State Gambling Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	196.7		29,353	29,353
<b>Total Maintenance Level</b>	188.2		29,229	29,229
Difference	(8.5)		(124)	(124)
Percent Change from Current Biennium	(4.3)%		(0.4)%	(0.4)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(188.2)		(29,229)	(29,229)
Gambling Licensing, Background and Financial Investigations				
General Enforcement and Criminal Intelligence Investigation				
Tribal-State Compact Negotiation, Regulation Program, and Investigations				
<b>Subtotal</b>	(188.2)		(29,229)	(29,229)
<b>Total Proposed Budget</b>				
Difference	(196.7)		(29,353)	(29,353)
Percent Change from Current Biennium	(100.0)%		(100.0)%	(100.0)%

**Gambling Licensing, Background and Financial Investigations**

The Washington State Gambling Commission is statutorily charged with the power to enforce the provisions of the Gambling Act of 1973 and all laws related to gambling. The legislative policy declares the intent is to keep the criminal element out of gambling, promote social welfare through strict regulation and control and that raising funds for the promotion of nonprofit and charitable organizations is in the public interest. The Commission carries out this responsibility through a system of regulation and enforcement consisting of several interrelated activities. The Commission requires that individuals and businesses apply for and obtain a license before engaging in gambling activity. The application and approval process includes an extensive investigation process which traces the source of funds and identifies criminal records to prevent criminal interests from gaining a foothold in Washington gambling businesses and protects the public from being victimized through cheating or embezzlement. The licensing process is required by statute to generate the funds necessary to cover all costs of licensing and enforcement. (Gambling Revolving Account-Nonappropriated)

This activity has been transferred to the Department of Gaming. Total estimated efficiency savings will be \$360,174.

## GOVERNMENTAL OPERATIONS

### **General Enforcement and Criminal Intelligence Investigation**

The Commission uses a combination of undercover and overt investigations to identify and seek prosecution of illegal gambling activities, cheating, theft, and racketeering. These investigations seek to identify those individuals or interests that pose a threat to public safety and honest gambling. As a result, the agency has sought prosecution for bookmakers with organized crime links, cheaters who have gained thousands of dollars, and employees of charitable organizations who in some cases embezzled more than \$25,000. The Commission also uses administrative rules and regulatory enforcement to ensure gambling is legal and honest, and protects the internal controls and records necessary to support the \$44.3 million collected by local governments annually in local taxes. (Gambling Revolving Account-Nonappropriated)

This activity has been transferred to the Department of Gaming. Total estimated efficiency savings will be \$360,174.

### **Tribal-State Compact Negotiation, Regulation Program, and Investigations**

Federal law requires the state to negotiate in good faith with Indian tribes to provide these sovereign nations the opportunity to engage in casino-type gambling activities that are allowed in some form in the state of Washington. The tribes are only allowed to engage in these activities through a compact with the state. The Commission has been delegated the responsibility to negotiate these compacts and jointly regulates these activities with the tribes. As of June 30, 2002, the Commission has negotiated 25 compacts that had net gambling receipts of more than \$422 million in 2001. The primary purpose of the state's involvement is public protection and ensuring legal and honest gambling activities. (Gambling Revolving Account-Nonappropriated)

This activity has been transferred to the Department of Gaming. Total estimated efficiency savings will be \$360,174.

Agency 118

## Commission on Hispanic Affairs

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	2.8	444		444
<b>Total Maintenance Level</b>	2.3	439		439
Difference	(.5)	(5)		(5)
Percent Change from Current Biennium	(17.9)%	(1.1)%		(1.1)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(2.3)	(439)		(439)
Advocacy and Coordination of Hispanic Community Issues	1.8	380		380
Employee-related and Internal Service Cost Adjustments		29		29
<b>Subtotal</b>	(.5)	(30)		(30)
<b>Total Proposed Budget</b>	1.8	409		409
Difference	(1.0)	(35)		(35)
Percent Change from Current Biennium	(35.7)%	(7.9)%		(7.9)%

#### Advocacy and Coordination of Hispanic Community Issues

The Commission on Hispanic Affairs defines issues pertaining to the rights and needs of Hispanics in order to provide advice and information to the Governor, Legislature, and state and local agencies. The Commission provides this advice and information to promote the rights of Hispanics in Washington State to equal opportunity in education, housing, health, and economic development. To define the issues of importance to Hispanics in Washington State, the Commission holds public meetings with the community six times yearly, meets with community groups on an ad hoc basis, and develops networks with groups that serve the Hispanic population. (General Fund-State)

In an effort to create administrative efficiencies, the Commission on Asian Pacific American Affairs, Commission on African American Affairs, Commission on Hispanic Affairs, and the Governor's Office of Indian Affairs, are co-located and administrative functions are shared.

Agency 119

**Commission On African-American Affairs****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	2.7	425		425
<b>Total Maintenance Level</b>	2.3	447		447
Difference	(.4)	22		22
Percent Change from Current Biennium	(13.2)%	5.2%		5.2%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(2.3)	(447)		(447)
Advocacy and Coordination of Issues for African-American Communities	1.8	367		367
Employee-related and Internal Service Cost Adjustments		31		31
<b>Subtotal</b>	(.5)	(49)		(49)
<b>Total Proposed Budget</b>	1.8	398		398
Difference	(.9)	(27)		(27)
Percent Change from Current Biennium	(32.1)%	(6.4)%		(6.4)%

**Advocacy and Coordination of Issues for African-American Communities**

The African-American Affairs Commission's primary purpose and functions are to improve public policy development for, and government services delivery to, the African-American community. The Commission was created as an effort to fulfill the duty of the state to improve the status of African Americans who find themselves disadvantaged or isolated from the benefits of equal opportunity. The Commission examines issues pertaining to the rights and needs of the African-American community, and makes recommendations to the Governor, Legislature, and state agencies for changes in programs and laws. The Commission has conducted public information and outreach programs in support of educational achievement, as well as developed special studies and proposed legislation to address issues of concern to the African-American community. (General Fund-State)

In an effort to create administrative efficiencies, the Commission on Asian Pacific American Affairs, Commission on African American Affairs, Commission on Hispanic Affairs, and the Governor's Office of Indian Affairs, are co-located and administrative functions are shared.

Agency 122

## Personnel Appeals Board

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	11.0		1,738	1,738
<b>Total Maintenance Level</b>	11.0		1,737	1,737
Difference			(1)	(1)
Percent Change from Current Biennium	0.0%		(0.1)%	(0.1)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(11.0)		(1,737)	(1,737)
Adjudication of State Employee Civil Service Appeals	11.0		1,712	1,712
Employee-related and Internal Service Cost Adjustments			38	38
Staff Reductions and Operating Efficiencies	(.1)		(6)	(6)
<b>Subtotal</b>	(.1)		7	7
<b>Total Proposed Budget</b>	11.0		1,744	1,744
Difference	(.1)		6	6
Percent Change from Current Biennium	(0.5)%		0.3%	0.3%

#### Adjudication of State Employee Civil Service Appeals

The Personnel Appeals Board conducts hearings and decides the outcome of state civil service employees' appeals of state agency actions, including reduction in force, salary reduction, suspension, demotion, dismissal, disability separation, position allocation, and alleged violation of State Civil Service Law or Merit System Rules. (Department of Personnel Services Account)

#### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 124

## Department of Retirement Systems

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	296.0		54,111	54,111
<b>Total Maintenance Level</b>	274.6		47,969	47,969
Difference	(21.5)		(6,142)	(6,142)
Percent Change from Current Biennium	(7.2)%		(11.4)%	(11.4)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(274.6)		(47,969)	(47,969)
Agency Management and Administrative Support Services				
Deferred Compensation Management for Public Employees				
Dependent Care Program Management for Public Employees				
Information Systems Support Services				
Public Employer Support Services				
State Retirement Services				
<b>Subtotal</b>	(274.6)		(47,969)	(47,969)
<b>Total Proposed Budget</b>	(.0)			
Difference	(296.0)		(54,111)	(54,111)
Percent Change from Current Biennium	(100.0)%		(100.0)%	(100.0)%

#### Agency Management and Administrative Support Services

The Department of Retirement Systems administers retirement benefits for state and local government employees. At the end of Fiscal Year 2001, the pension trust funds contained \$45 billion in assets, with employer and member contributions for the year totaling more than \$1 billion, and disbursements approaching \$1.7 billion to an average of 119,000 retirees each month. Agency management activities include executive leadership, budget, fiscal and legal services, policy and planning support to the Governor on pension issues, project and record keeper management, personnel, member communications, and other administrative support services. (Department of Retirement Systems Expense Account)

Funding is provided to build a secure web-based application that will provide members with the ability to access their retirement account information.

This activity has been transferred to the Department of Human Resources. Estimated administrative savings are \$1,893,038 for the 2003-05 Biennium.



**Deferred Compensation Management for Public Employees**

The Deferred Compensation Program (DCP) enables eligible public employees to defer a portion of their earnings under a series of before-tax investment plans until retirement or termination of state employment. Currently, the program has nearly \$1.5 billion in assets and serves more than 43,000 employees of state government, higher education, and political subdivisions. Disbursements for Fiscal Year 2001 were \$49 million, with deferrals for the same fiscal year totaling \$106 million. This activity also includes a supplemental retirement program serving more than 190 judges. (Dependent Care Account)

This activity has been transferred to the Department of Human Resources.

**Dependent Care Program Management for Public Employees**

This program enables eligible employees to set aside a before-tax portion of their compensation for reimbursement of their dependent care expenses. It currently serves more than 1,100 public employees, with deferrals totaling \$4.7 million this past year. (Dependent Care Account)

This activity has been transferred to the Department of Human Resources.

**Information Systems Support Services**

The Department of Retirement Systems receives and manages essential information and records for members and retirees. Information support includes database management, systems development, electronic communications support, system maintenance and troubleshooting, data collection and processing, and disbursement processing. The 2001-03 Biennium includes funding for recent legislation, including programming necessary to implement Plan 3 of the Public Employee's Retirement System, Plan 2 of the Washington State Patrol Retirement System, and modifications to retiree return-to-work rules and survivor benefits. It also includes the backfile imaging effort that supports the agency's electronic document image management system. (Department of Retirement Systems Expense Account)

Funding is provided to build a secure web-based application that provides members with the ability to access their retirement account information.

Fallen heroes survivor benefits funding is provided for the modification to the Department's information system. This programming modification is necessary for the state to meet federal requirements.

Funding is provided for a Plan 3 member contribution rate programming modification so that members will be provided with an annual opportunity to change their contribution rate.

This activity has been transferred to the Department of Human Resources.

**Public Employer Support Services**

The Public Employer Support Services unit is responsible for conducting field audits of and providing training to nearly 1,300 public employers, ensuring their compliance with state laws and regulations. This unit also receives and processes essential member information submitted by public employers. (Department of Retirement Systems Expense Account)

This activity has been transferred to the Department of Human Resources.

## GOVERNMENTAL OPERATIONS

### State Retirement Services

The Department serves over 525,000 active, retired, and inactive members of the Public Employees', School Employees', Teachers', Law Enforcement and Firefighters', Washington State Patrol and Judicial retirement systems. These services include determining eligibility for retirement, educating and counseling prospective retirees, processing disability and death adjustments, and computing retirement benefits, deductions, and benefit adjustments. (Department of Retirement Systems Expense Account)

Funding is provided to build a secure web-based application that provides members the ability to access their retirement account information.

Fallen heroes survivor benefits funding is provided for the modification to the Department's information system. This programming modification is necessary for the state to meet federal law requirements.

Funding is provided for a Plan 3 member contribution rate programming modification so that members will be provided with an annual opportunity to change their contribution rate.

This activity has been transferred to the Department of Human Resources.

Agency 126

## State Investment Board

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	61.6		13,678	13,678
<b>Total Maintenance Level</b>	61.6		13,337	13,337
Difference			(341)	(341)
Percent Change from Current Biennium	0.0%		(2.5)%	(2.5)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(61.6)		(13,337)	(13,337)
Investment Activities	61.6		13,392	13,392
Employee-related and Internal Service Cost Adjustments			108	108
Staff Reductions and Operating Efficiencies	(2.3)		(516)	(516)
<b>Subtotal</b>	(2.3)		(353)	(353)
<b>Total Proposed Budget</b>	59.3		12,984	12,984
Difference	(2.3)		(694)	(694)
Percent Change from Current Biennium	(3.7)%		(5.1)%	(5.1)%

#### Investment Activities

The State Investment Board (SIB) is responsible for investing and managing entrusted funds with an aggregate value of nearly \$54 billion in 31 funds. These funds include State and Local Government Employee Pension Funds, Deferred Compensation, Labor and Industries Funds, six state Permanent Funds and seven other state funds. The SIB manages the investment of these funds to maximize return at a prudent level of risk consistent with statutes, regulations, SIB policies, and the highest standards of professional conduct. The funds are invested for the exclusive benefit of beneficiaries. (State Investment Board Expense Account-State)

The securities industry is moving towards the settlement of transactions within the same day for a security trade which is called straight-through-processing. SIB will hire a consultant to develop a detailed plan with the securities industry and the Department of Information Services that will move SIB into this new era of investment processing. The cost of the consultant will be \$150,000.

#### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 140

## Department of Revenue

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	999.2	153,458	10,396	163,854
<b>Total Maintenance Level</b>	1,032.6	160,174	11,215	171,389
Difference	33.5	6,716	819	7,535
Percent Change from Current Biennium	3.3%	4.4%	7.9%	4.6%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,032.6)	(160,174)	(11,215)	(171,389)
Internal Services	56.7	15,781	162	15,943
Property Tax Administration	53.4	9,584		9,584
State and Local Revenue Collection and Distribution	561.2	85,163	5,671	90,834
Tax Auditing	276.9	40,084	315	40,399
Tax Policy Research, Analysis, and Interpretation	39.2	5,519		5,519
Taxpayer Appeals	20.2	2,501		2,501
Unclaimed Property Management	25.0		5,019	5,019
Employee-related and Internal Service Cost Adjustments		2,783	78	2,861
Staff Reductions and Operating Efficiencies	(33.9)	(1,566)	(52)	(1,618)
Self-Insurance Premiums		154		154
<b>Subtotal</b>	(33.8)	(171)	(22)	(193)
<b>Total Proposed Budget</b>	998.8	160,003	11,193	171,196
Difference	(.4)	6,545	797	7,342
Percent Change from Current Biennium	(0.0)%	4.3%	7.7%	4.5%

## Internal Services

Internal services include the cost of overall management of the agency, internal audit, accounting, budget, cash management, facilities management, purchasing, personnel, employee training, quality improvement, and legal services provided by the Attorney General's Office. A significant portion of the costs in this category represent the legal costs associated with the defense of the state's tax system. (General Fund- State, various other funds)

## Property Tax Administration

The Department of Revenue has a statutory obligation to ensure uniformity within the state's property tax system and oversee the administration of property taxes at both the state and local level. The Department also determines the state school levy, conducts complex appraisals on commercial, industrial, and special use properties, administers property tax exemptions and deferral programs, and provides guidance, training, and assistance on property tax issues to county officials. (General Fund-State)

### **State and Local Revenue Collection and Distribution**

The Department of Revenue is responsible for the fair, efficient, and uniform administration of state tax laws. Primary activities include taxpayer registration, tax return processing collection activities, accounting for and distributing state and local tax revenues, and promotion of voluntary compliance through taxpayer education, information, and assistance. These activities are conducted from offices throughout the state and are supported by a statewide computer network. (General Fund-State, various other funds)

### **Tax Auditing**

The Department's audit function is carried out across Washington State and throughout the United States. Auditors are given one of three assignments: permanent in-state locations, permanently assigned out-of-state locations, or short-term out-of-state tours. The auditors review the records of registered businesses for the proper reporting and payment of taxes. Taxes routinely audited include sales and use, business and occupation, and public utility taxes. (General Fund-State, various other funds)

### **Tax Policy Research, Analysis, and Interpretation**

Tax policy activities involve coordinating interdepartmental services and providing information and guidance to the public, employees, and all levels of government. Specific functions include preparation of fiscal notes, analysis and drafting of legislation, rule revisions and drafting, forecasting non-General Fund revenues, analysis of proposed changes to tax statutes, and the analysis of tax law changes on small business. (General Fund-State)

### **Taxpayer Appeals**

The Department hears taxpayer appeals and issues written determinations, renders formal and informal tax law interpretations, mediates and negotiates settlements of tax disputes, and executes settlement closing agreements when appropriate. (General Fund-State)

### **Unclaimed Property Management**

The Department administers the provisions of the State Uniform Unclaimed Property Act. The Department receives the transfer of abandoned property to the state and tries to locate the owners through advertising and providing public access to abandoned property information. The Department's role is to act in the interest of the property owners and return the abandoned property to the rightful owners whenever possible. Examples of abandoned property include utility deposits, insurance policies, safety deposit box contents, dividends, and savings accounts. (Unclaimed Personal Property Account-Nonappropriated)

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

### **Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 Biennium.

Agency 142

**Board of Tax Appeals****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	11.0	2,238		2,238
<b>Total Maintenance Level</b>	11.0	2,205		2,205
Difference		(33)		(33)
Percent Change from Current Biennium	0.0%	(1.5)%		(1.5)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(11.0)	(2,205)		(2,205)
Adjudication of Tax Appeals	11.0	2,168		2,168
Employee-related and Internal Service Cost Adjustments		42		42
Staff Reductions and Operating Efficiencies	(1.1)	(32)		(32)
<b>Subtotal</b>	(1.1)	(27)		(27)
<b>Total Proposed Budget</b>	10.0	2,178		2,178
Difference	(1.1)	(60)		(60)
Percent Change from Current Biennium	(9.5)%	(2.7)%		(2.7)%

**Adjudication of Tax Appeals**

The Board of Tax Appeals is the state's final administrative tax court. The Board hears and adjudicates appeals of tax-related decisions by the Departments of Revenue and Natural Resources and 39 county boards of equalization. The Legislature created the Board in 1967 to "provide a convenient and economical forum in which the appeals of individual taxpayers may be determined." Appeals filed with the Board involve all state taxes and tax exemptions enacted by the Legislature. The Board resolves approximately 1,400 appeals per year by conducting hearings and issuing comprehensive written decisions or by assisting the parties to reach agreement. (General Fund-State)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 144

**Municipal Research Council****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>			4,575	4,575
<b>Total Maintenance Level</b>			4,621	4,621
Difference			46	46
Percent Change from Current Biennium			1.0%	1.0%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base			(4,621)	(4,621)
Municipal Research Services			4,969	4,969
<b>Subtotal</b>			348	348
<b>Total Proposed Budget</b>			4,969	4,969
Difference			394	394
Percent Change from Current Biennium			8.6%	8.6%

**Municipal Research Services**

The Municipal Research Council is composed of legislators, city officials, and one member appointed by the Governor. The Council's primary purpose is to provide Washington's city and town officials with assistance and information on topics related to local government. The Council has no independent staff, but contracts with the Department of Community, Trade and Economic Development and with the Municipal Research and Services Center, a private non-profit agency in Seattle. Through the Center, the Council responds to public requests for information on municipal law, finance, growth management, public works, management, and operations. The Center's library holds the state's largest collection of municipal reference materials, with over 12,000 volumes. The Center also operates a home page and publishes many research articles. These consolidated services reduce the need for cities, towns, and counties to maintain legal staff. (County Research Services Account-State, City and Town Research Services Account-State)

The Local Government Fiscal Note Program is transferred from the Department of Community, Trade and Economic Development to the Municipal Research Council. The program estimates the impact of proposed state legislation on local governments and submits fiscal notes to the Legislature through the Office of Financial Management. This transfer shifts \$348,000 from General Fund-State to the County Research Services Account and the City and Town Research Services Account.

Agency 147

**Office of Minority and Women's Business Enterprises****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	20.0		2,670	2,670
<b>Total Maintenance Level</b>	20.0		2,721	2,721
Difference			51	51
Percent Change from Current Biennium	0.0%		1.9%	1.9%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(20.0)		(2,721)	(2,721)
Certification and Administration for Minority and Women Owned Businesses				
<b>Subtotal</b>	(20.0)		(2,721)	(2,721)
<b>Total Proposed Budget</b>				
Difference	(20.0)		(2,670)	(2,670)
Percent Change from Current Biennium	(100.0)%		(100.0)%	(100.0)%

**Certification and Administration for Minority and Women Owned Businesses**

The Office of Minority and Women's Business Enterprises (OMWBE) provides opportunities for minority and women-owned and controlled businesses to participate in public works projects and the procurement process of goods and services purchased by state agencies and educational institutions from the private sector. Activities include certification of minority and women-owned businesses throughout the state, maintaining a database of certified companies, and monitoring the success of state agencies in reaching goals for contracting with women- and minority-owned businesses. (OMWBE Enterprises Account)

The Office of Minority and Women's Business Enterprises will be abolished effective July 1, 2003. Business certification services necessary to establish and maintain eligibility for federal programs and funding will be conducted by the Department of Community, Trade and Economic Development (CTED). CTED will also provide technical assistance services targeted to socially and economically disadvantaged businesses. The Department of General Administration will provide reimbursable services and support to state and local governments for purchasing and public works contracting with state certified businesses.



Agency 150

## Department of General Administration

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	603.2	1,256	128,966	130,222
<b>Total Maintenance Level</b>	583.8	1,202	129,986	131,188
Difference	(19.4)	(54)	1,020	966
Percent Change from Current Biennium	(3.2)%	(4.3)%	0.8%	0.7%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(583.8)	(1,202)	(129,986)	(131,188)
Agency Fixed Indirect Activities	79.0		4,469	4,469
Barrier Free Facilities Program (BFFP)	1.0	173	30	203
Building Access	2.0		364	364
Building Maintenance	33.0		5,198	5,198
Building Systems - Support	8.0		840	840
Campus Tours	14.8		616	616
Commute Trip Reduction	1.0		205	205
Custodial Services	63.8		7,410	7,410
Customer Service - Operations Support	5.0		608	608
Division of Capital Facilities Reimbursable Program	44.0		6,654	6,654
Distribution of Surplus Food and Property (TEFAP/CSFP)	4.2	404	3,045	3,449
Distribution of Surplus Property	15.6		2,800	2,800
Energy Performance Contracting (EPC)	6.6		818	818
Environmental Services	3.0		406	406
Exterior Building Maintenance	.9		230	230
Grounds	16.0		1,610	1,610
Mail Services for State Agencies	82.0		9,820	9,820
Material Management Center - Central Stores Eastern	5.6		846	846
Material Management Center - Central Stores West/Central	33.0		4,920	4,920
Materials Management - Policy	8.0		1,156	1,156
Motor Pool Trip Vehicle Operations - Maintenance	14.0		4,612	4,612
Paint Shop	5.3		664	664
Parking Management	2.3		604	604
Property Management - State Owned	33.2		15,182	15,182
Property Management Services - Privately Owned Facilities	11.0		14,286	14,286
Public Works Repository (PWR)	1.0		200	200
Purchasing Contract Administration	41.1		7,792	7,792
Real Estate Design Services	10.8		1,666	1,666
Real Estate Leasing Services	13.0		1,916	1,916
Rebuild America	.5		240	240
Recycle Services	6.0		592	592
Resource Conservation Management	.5		288	288
Sign Shop	2.0		320	320
State Agency Rider (STAR) Pass Program			310	310
Motor Pool and Permanently Assigned Vehicles	3.0		13,522	13,522

## GOVERNMENTAL OPERATIONS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Steam Plant	6.5		840	840
Technial Services and Plant Operations Support	3.1		310	310
Utilities and Fixed Price Contracts			13,710	13,710
Visitor Services	3.0		316	316
Visitor Services - Events	1.0		152	152
Project Management Services	13.1		2,091	2,091
Printing Services #	34.0		7,243	7,243
Employee-related and Internal Service Cost Adjustments		18	924	942
Staff Reductions and Operating Efficiencies	(26.9)	(56)	(1,288)	(1,344)
<b>Subtotal</b>	20.2	(663)	8,551	7,888
<b>Total Proposed Budget</b>	604.0	539	138,537	139,076
Difference	.8	(717)	9,571	8,854
Percent Change from Current Biennium	0.1%	(57.1)%	7.4%	6.8%

### Agency Fixed Indirect Activities

Agency fixed indirect activities include executive management, agency automation infrastructure maintenance, financial systems maintenance and those human resource services that are not direct expenses. The agency is expected to absorb the increased cost of the STAR Pass and 2004 legislative shuttle contracts through administrative savings. (General Administration Services Account, General Administration Services Account-Nonappropriated)

### Barrier Free Facilities Program (BFFP)

This program partners with community colleges, universities, the Departments of Social and Health Services, Corrections, Transportation, Ecology, and the Superintendent of Public Instruction to provide technical expertise through plan reviews of new and remodeled buildings. Other activities in this program include consulting on disability issues related to facilities, a statewide assistive technology equipment lending program, and support for Braille Publishing and Audio tapes used to provide reasonable accomodation for people with disabilities who are employed by or are served by the state.

In the 2003-05 Biennium, the reimbursable (fee for service) component of the Division of Engineering and Architectural Services' (E&AS) two programs, Project Management Services and Barrier Free Facilities, will be budgeted through the operating budget instead of the capital budget. Previously, the authority to provide reimbursable services was provided through the capital budget. This budgeting methodology change will provide a true accounting of actual project management and barrier free services accomplished through the state's capital budget. Reimbursable services are project management and barrier free services that are provided for agencies whose capital projects are not supported by the state's capital budget or whose projects require an exceptional level of effort due to project complexity.

E&AS will continue to provide core (non-reimbursable) project management services that are funded through the state's capital budget and serve statutorily mandated clients (all state agencies with the exception of the four-year universities, natural resources agencies, and the Department of Transportation), through the state capital budget. (General Administration Services Account-Nonappropriated)

### **Building Access**

The Building Access Program installs, maintains, and repairs all mechanical and electronic locks on campus. The program manages electronic access systems, issues and controls access cards, identification cards, and keys. It also manages the access system data base. Scheduled maintenance is provided to campus locks, door closing mechanisms, and electronic access boxes on a scheduled basis.

In the 2003-05 Biennium, the budgeting technique for this activity is changed to nonappropriated/allotted status. Beginning in the 2005-07 Biennium, state agencies will reimburse the Department of General Administration for this activity through a negotiated rental agreement rather than through the cost-allocated Facilities and Services' revolving fund billing. This change in budgeting technique and cost recovery will increase customer satisfaction and will channel more funds into facility preventative maintenance. (General Administration Services Account-Nonappropriated)

### **Building Maintenance**

Zone Maintenance Operations provide preventive and scheduled base maintenance services including electrical, carpentry, and heat, ventilation and air conditioning (HVAC).

In the 2003-05 Biennium, the budgeting technique for a majority of this activity is changed to nonappropriated/allotted status. Beginning in the 2005-07 Biennium, state agencies will reimburse the Department of General Administration for this activity through a negotiated rental agreement rather than through the cost-allocated Facilities and Services' revolving fund billing. This change in budgeting technique and cost recovery will increase customer satisfaction and will channel more funds into facility preventative maintenance. The portion of this activity attributed to building common areas will continue to be appropriated, and funded through the Seat of Government charge. (General Administration Services Account, General Administration Services Account-Nonappropriated)

### **Building Systems - Support**

Building Systems Support develops and manages the fire service contract provided by the Olympia Fire Department of Thurston County for General Administration owned properties. Building Systems Support provides scheduled fire alarm and device maintenance. It also provides fire exit service, maintenance and operations and performs annual fire system testing in accordance with regulation. It manages Metasys and Allerton Systems for all HVAC, lighting, and other controls functions to ensure cost effective and energy efficient operation of buildings. This program leads a cross-functional team for building condition evaluation, correction, and commissioning and serves as capitol campus emergency response and standby for after hours response.

In the 2003-05 Biennium, the budgeting technique for this activity is changed to non-appropriated/allotted status. Beginning in the 2005-07 Biennium, state agencies will reimburse the Department of General Administration for this activity through a negotiated rental agreement rather than through the cost-allocated Facilities and Services' revolving fund billing. This change in budgeting technique and cost recovery will increase customer satisfaction and will channel more funds into facility preventative maintenance. (General Administration Services Account-Nonappropriated)

### **Campus Tours**

State Capitol Tours provides educational tours to the visiting public, school children, Washington State citizens, constituents and visiting dignitaries. Tours are conducted of the Legislative Building, state capitol grounds, capitol conservatory, and the Temple of Justice. Capitol Tours also coordinates public reservations for the Executive Mansion. Tours of the Washington State Capitol are conducted 362 days a year, seven days a week.

In the 2003-05 Biennium, this activity will be funded through the Seat of Government charge instead of State General Funds. The Seat of Government charge is commonly used to fund expenses which benefit more than one state agency. (General Administration Services Account)

## GOVERNMENTAL OPERATIONS

### Commute Trip Reduction

General Administration manages the State Agency Commute Trip Reduction (CTR) Program that supports the efforts of 31 state agencies, 11 colleges and universities at 109 work sites that are affected by the CTR law and several other agencies and colleges that voluntarily participate in the program. Through contracts, the program provides direct support for the guaranteed ride home programs in Thurston, Pierce, King, and Spokane counties. The program is also charged with implementing Executive Order 01-03 for telework and flexible work hour policies. Collectively, the activities assist the State, as one of the largest employers, to demonstrate leadership in reducing the number of single occupant vehicles commuting to state work sites. The activities help to meet the goals of the CTR law to reduce congestion, air pollution and energy use.

In the 2001-03 Biennium, campus parking fees were used to fund the Commute Trip Reduction (CTR) Program Coordinator and some program administrative expenses. Beginning in the 2003-05 Biennium, the Seat of Government charge will fund this program. The Seat of Government charge is commonly used to fund operational expenses which benefit more than one state agency. (General Administration Services Account)

### Custodial Services

Daily custodial service is provided for over three million square feet of building space. These custodial services include cleaning of all public and common use areas, restroom sanitizing and stocking of supplies, special floor and carpet care, emergency and urgent clean up, light bulb replacement, building locking and unlocking, and support for special events on and around the Capitol Campus.

In the 2003-05 Biennium, the budgeting technique for a majority of this activity is changed to nonappropriated/allotted status. Beginning in the 2005-07 Biennium, state agencies will reimburse the Department of General Administration for this activity through a negotiated rental agreement rather than through the cost-allocated Facilities and Services' revolving fund billing. This change in budgeting technique and cost recovery will increase customer satisfaction and will channel more funds into facility preventative maintenance. The portion of this activity attributed to building common areas will continue to be appropriated, and funded through the Seat of Government charge. (General Administration Services Account, General Administration Services Account-Nonappropriated)

### Customer Service - Operations Support

Operations support includes campus wide emergency and security management including the Washington State Patrol contract administration and management for campus law enforcement, campus wide elevator contract management, utilities contract management, and payment preparation and monitoring for all division and campus wide activities. The divisional supply and procurement function supports all base, reimbursable, and administrative activities. The divisional Information Services system analyst provides systems and programming support for operational software systems that support base and reimbursable activities.

In the 2003-05 Biennium, the budgeting technique for this activity is changed to nonappropriated/allotted status. Beginning in the 2005-07 Biennium, state agencies will reimburse the Department of General Administration for this activity through a negotiated rental agreement rather than through the cost-allocated Facilities and Services' revolving fund billing. This change in budgeting technique and cost recovery will increase customer satisfaction and will channel more funds into facility preventative maintenance. (General Administration Services Account-Nonappropriated)

### Division of Capital Facilities Reimbursable Program

Work that is considered to be above the base level of services is done by the Division of Capitol Facilities at the request of the customer. This work includes electrical, carpentry, and miscellaneous construction; custodial cleaning of office space; grounds work at some buildings; keys/lock slide card creation; and painting. Tenants pay for the cost of providing this service. (General Administration Services Account-Nonappropriated)

### Distribution of Surplus Food and Property (TEFAP/CSFP)

The Department of General Administration operates a program that receives and distributes federal food and operational funds to the state's food bank network in order to support local organizations that supply food to those in need. There is a state match requirement for federal administrative dollars, as well as pass-through dollars. (General Fund-State, General Fund-Federal)

The United State Department of Agriculture (USDA) established a new grant, Commodity Supplemental Food Program (CSFP) to provide food and administrative funds to meet the needs of a client base that was not being served by other federal programs. The client will receive a monthly food package targeted to meet the special nutritional needs of children and the elderly. In the 2003-05 Biennium, this activity will receive \$967,000 dollars from this grant. (General Fund-Federal)

#### **Distribution of Surplus Property**

The Department of General Administration operates a program that disposes of state surplus properties that utilizes methods that are efficient and meet legal requirements concerning use of publicly-owned goods. The program also represents the state with the federal government's surplus program. The state and federal programs allow state agencies, political subdivisions and not-for-profit organizations to receive state and federally owned surplus property such as office equipment and furniture at lower than market cost. This program is funded through revenue generated from the sales of goods. (General Administration Services Account-Nonappropriated)

#### **Energy Performance Contracting (EPC)**

Energy Performance Contracting provides engineering services to agencies on a fee for service basis to assist agencies conserve energy and reduce their energy costs. Program engineers also conduct energy life cycle cost reviews. Agencies incur no direct costs as all costs are paid for with energy savings. (General Administration Services Account-Nonappropriated)

#### **Environmental Services**

Environmental Services is responsible for managing asbestos and hazardous waste on the Capitol Campus. Environmental Services also does fire extinguisher and fire/safety inspections, responds to hazardous waste spills, and provides safety/asbestos awareness training. The development of indoor air quality (IAQ) protocols and response to IAQ complaints have recently been added to their services.

In the 2003-05 Biennium, the budgeting technique for this activity is changed to nonappropriated/allotted status. Beginning in the 2005-07 Biennium, state agencies will reimburse the Department of General Administration for this activity through a negotiated rental agreement rather than through the cost-allocated Facilities and Services' revolving fund billing. This change in budgeting technique and cost recovery will increase customer satisfaction and will channel more funds into facility preventative maintenance. (General Administration Services Account-Nonappropriated)

#### **Exterior Building Maintenance**

Exterior Building Maintenance is a developing program within the Division of Capitol Facilities. The focus is to clean and repair the exterior of historic and other buildings on the Capitol Campus. The Division believes that trained in-house staff can maintain the exterior of campus buildings in a manner that will save the state hundreds of thousands of dollars by correcting problems as they occur rather than doing costly repairs after extensive damage has occurred.

In the 2003-05 Biennium, the budgeting technique for this activity is changed to nonappropriated/allotted status. Beginning in the 2005-07 Biennium, state agencies will reimburse the Department of General Administration for this activity through a negotiated rental agreement rather than through the cost-allocated Facilities and Services' revolving fund billing. This change in budgeting technique and cost recovery will increase customer satisfaction and will channel more funds into facility preventative maintenance. (General Administration Services Account-Nonappropriated)

#### **Grounds**

Olympia is the central headquarters for state government and the Capitol Campus is also an historical landmark with 650,000 visitors per year from around the world. Seat of Government facilities include the campus grounds, memorials, fountains, campus streets, sidewalks and lighting as well as Sylvester Park, Heritage Park, Marathon Park, Centennial Park, Capitol Lake, Interpretive Center, and Deschutes Parkway. Grounds funding is paid by a Seat of Government charge, which is a per employee charge for all state employees in Thurston County. (General Administration Services Account)

## GOVERNMENTAL OPERATIONS

### Mail Services for State Agencies

The Department of General Administration operates the Consolidated Mail Services program which is State government's internal postal service. State agencies have identified this service as mission critical by providing a vital business service for processing and distributing warrants and laboratory samples. Consolidated Mail Service's large volume mailing qualifies for substantial postage reductions, saving the state more than \$2.2 million annually. Campus mail rates are 40 percent cheaper overall than competitors in the private sector. The program processes, incoming, outgoing and site-to-site distribution mail services for most state agencies and some political subdivisions in western Washington. (General Administration Services Account-Nonappropriated)

### Material Management Center - Central Stores Eastern

RCW 43.19 requires the Department of General Administration to maintain central stores for the centralized storage and distribution of such supplies, equipment, and other items of common use in the daily operation of state agencies, colleges and universities, political subdivisions and eligible non-profit corporations. This sub-activity encompasses the warehouse and delivery operations that support these entities in eastern Washington. This activity is part of the state's Materials Management Center. (General Administration Account-Nonappropriated)

### Material Management Center - Central Stores West/Central

RCW 43.19 requires the Department of General Administration to maintain central stores for the centralized storage and distribution of such supplies, equipment, and other items of common use in daily operation of state agencies, colleges and universities, political subdivisions and eligible non-profit corporations. This activity encompasses the warehouse and delivery operations that support these entities throughout Washington. (General Administration Account-Nonappropriated)

### Materials Management - Policy

The Department sets overall state-wide policy for effective and economical supply management; establishes warehouse operation and storage standards to achieve uniform, effective, and economical stores; makes determinations on where consolidations, closures, or additions of stores are necessary; when and where an item in the state supply system should be stocked; and how transportation costs incurred by the state for materials, supplies, services, and equipment can be reduced by improved freight and traffic coordination and control. (General Administration Services Account-Nonappropriated)

### Motor Pool Trip Vehicle Operations - Maintenance

The State Motor Pool was created in 1975 by the Washington State Commission for Efficiency and Accountability in Government to "provide economic, efficient, and effective motor pool transportation service to state agencies." The motor vehicle trip fleet provides short term vehicle rentals to agency customers. The maintenance section maintains and repairs the motor pool trip vehicles, many permanently assigned vehicles, as well as vehicles owned by the various state agencies.

During the 2003-05 Biennium, nonappropriated/allotted status is applied for all Motor Pool cost centers. In prior biennium, the Motor Pool's fuel and outside repair cost elements were nonappropriated/allotted, while staff and vehicle expenses were appropriated/allotted. This change will allow this activity to more effectively meet customer demand for vehicles. (General Administration Services Account-Nonappropriated)

### Paint Shop

The Paint Shop provides a full range of maintenance and reimbursable painting services to capitol campus tenants and other state agencies in the Thurston County area. Specialties such as historic plaster repairs and marbleizing with paint are available. Non-scheduled maintenance painting and office remodeling are available on a reimbursable basis.

In the 2003-05 Biennium, the budgeting technique for this activity is changed to non-appropriated/allotted status. (General Administration Services Account-Nonappropriated)

### Parking Management

The parking management function covers all of the administration and maintenance of 23 parking lots and 6 parking structures with over 5,933 parking stalls on campus. Parking for capitol campus employees is handled through a combination of zone parking and assigned parking stalls. Parking Services is responsible for maximizing the use of

stalls to achieve maximum revenue and manage changes in parking functions resulting from campus wide activities including events, construction, and legislative session.

A Parking Utility will be created in the 2003-05 Biennium, funded completely by parking revenues from state employees. Parking fee revenue will be placed in the State Vehicle Parking Account to pay costs in support of parking facility operational maintenance, parking regulation and enforcement, and parking facility capital reinvestment costs. The parking revenues and expenditures will be budgeted as a nonappropriated, allotted line-of-business. (State Vehicle Parking Account-Nonappropriated)

#### **Property Management - State Owned**

The Department of General Administration is responsible for providing property and building management services to state agencies, boards and commissions. Functions include comprehensive management of facility operations and the direct provision of facility services or contract management of facility services for leased or state-owned space outside of Thurston County. (General Administration Account-Nonappropriated)

#### **Property Management Services - Privately Owned Facilities**

The Division of State Services provides comprehensive property management services to state agencies leasing facilities from private sector building owners. Services include lease administration to ensure responsiveness from the building owner on maintenance and upkeep, as well as procurement of service contracts, energy management, safety and security oversight and general coordination of all building-related issues. (General Administration Account-Nonappropriated)

#### **Public Works Repository (PWR)**

This program provides an electronic library of completed pre-designs, BEST studies, value engineering studies, and constructability reviews for projects exceeding \$5 million total funding (\$1 million for natural resources agencies.) These documents serve as a means to share lessons learned, best practices, changes in technology and materials, new approaches and other information that may be helpful in other projects. (General Administration Services Account-Nonappropriated)

#### **Purchasing Contract Administration**

RCW 43.19 directs the Department of General Administration to develop state purchasing and material control policy and criteria for determining when centralized rather than decentralized purchasing shall be used to obtain maximum benefit of volume buying, and ensure it is implemented by state agencies and educational institutions; develop procedures for mutual and voluntary cooperation between the state and political sub-divisions for exchange of purchasing and material control services; ensure statutory compliance for purchases of alternative fuel vehicles, recycled products, sheltered workshop and Correctional Industries products; and establish statewide contracts for a broad range of materials, supplies, equipment and services. This activity is also designated to provide state level administrative support including determination of what data processing equipment shall perform in state-wide purchasing and material control; implement and administer credit card purchasing programs; develop and maintain the state commodity system; and establish and maintain a formal certification program for state employees who are authorized to perform purchasing functions as agents for the state. (General Administration Services Account-Nonappropriated)

#### **Real Estate Design Services**

The Department of General Administration is responsible for providing architectural and space design services for leased or owned facilities to state agencies, boards and commissions, and educational institutions. Functions include comprehensive architectural services, construction project management for leased space, and accessibility and energy assessments.

In the 2003-05 Biennium, the budgeting technique for this activity is changed to nonappropriated/allotted status. Beginning in the 2005-07 Biennium, state agencies will reimburse the Department of General Administration for this activity through a fee for service rather than through the cost-allocated Facilities and Services' revolving fund charge. This change in budgeting technique and cost recovery will increase customer satisfaction and overall resources management. (General Administration Services Account-Nonappropriated)

## GOVERNMENTAL OPERATIONS

### Real Estate Leasing Services

The Department of General Administration is responsible for supplying real estate services to state agencies, boards, and commissions. Functions include comprehensive leasing and architectural services, contract management for leased space including parking, the management of state-owned properties off of the Capitol Campus, and contracting for the long-term lease, purchase or sale of state-owned properties.

In the 2003-05 Biennium, the budgeting technique for this activity is changed to nonappropriated/allotted status. Beginning in the 2005-07 Biennium, state agencies will reimburse the Department of General Administration for this activity through a fee for service rather than through the cost-allocated Facilities & Services' revolving fund billing. This change in budgeting technique and cost recovery will increase customer satisfaction and overall resources management. (General Administration Services Account-Nonappropriated)

### Rebuild America

The Rebuild America program is a federally funded subset of the Resource Conservation Program (RCM). The RCM program provides technical assistance, equipment and a coordinating role to agency (schools, local governments, state agencies, community colleges) resource conservation managers. (General Fund-Federal)

### Recycle Services

A crew of four visits buildings on a scheduled basis to collect recyclable materials and then transports these materials for recycling. Sixty percent of the solid waste generated (1,253 tons per year) by state agencies is being recycled.

In the 2003-05 Biennium, the budgeting technique for this activity is changed to nonappropriated/allotted status. Beginning in the 2005-07 Biennium, state agencies will reimburse the Department of General Administration for this activity through a negotiated rental agreement rather than through the cost-allocated Facilities and Services' revolving fund billing. This change in budgeting technique and cost recovery will increase customer satisfaction. (General Administration Services Account-Nonappropriated)

### Resource Conservation Management

The Resource Conservation Management program provides services to public entities to identify and implement strategies to reduce long term building operational costs (energy, water, solid waste, etc.). (Energy Account-Nonappropriated)

### Sign Shop

The Sign Shop provides a broad range of signage, from name tags to large exterior building signs. Maintenance services include providing and installing signage for all capitol campus buildings and grounds. Reimbursable services are available to state agencies across the state. The same broad range of signage and installation is available to agencies at a cost that is less than available from the private sector. These signs help customers find offices and also provide emergency and evacuation information

In the 2003-05 Biennium, the budgeting technique for this activity is changed to nonappropriated/allotted status. (General Administration Services Account-Nonappropriated)

### State Agency Rider (STAR) Pass Program

General Administration, in partnership with Intercity Transit, manages the State Agency Rider (STAR) Pass. The program provides state employees who are located in work sites within Thurston County a fare-free transit pass, enabling them to travel on any Intercity Transit route, including those traveling to Pierce County, for any reason - commuting, business, recreation, or personal travel. This activity provides alternative transportation to state employees, thus eliminating their need to either use their own vehicle or a state vehicle while performing their work, and assists in meeting the State's commute trip reduction goals. (General Administration Services Account)

### Motor Pool and Permanently Assigned Vehicles

The State Motor Pool was created in 1975 by the Washington State Commission for Efficiency and Accountability in Government to "provide economic, efficient, and effective motor pool transportation services to state agencies." A total of 1350 vehicles are assigned to agencies on a permanent basis for their staff's use. The vehicles are maintained, serviced, repaired and replaced by the motor pool on a fee for service basis.



During the 2003-05 Biennium, the nonappropriated/allotted budgeting technique is implemented for all Motor Pool cost centers. In prior biennia, the Motor Pool's fuel and outside repair cost elements were nonappropriated/allotted while staff and vehicle expenses were appropriated/allotted. This change will allow this activity to more effectively meet customer demand for vehicles. (General Administration Services Account-Nonappropriated)

#### **Steam Plant**

The Capitol Campus Steam Plant, sometimes referred to as The Powerhouse, is located on the shore of Capitol Lake. The Powerhouse generates steam and chilled water for heating or cooling buildings and producing domestic hot water for all west campus and some east campus buildings. The Powerhouse is a 24-hour per day, 7 day per week operation. After normal working hours, the Powerhouse serves as the emergency contact center for the Division of Capitol Facilities.

In the 2003-05 Biennium, the budgeting technique for this activity is changed to nonappropriated/allotted status. Beginning in the 2005-07 Biennium, state agencies will reimburse the Department of General Administration for this activity through a negotiated rental agreement rather than through the cost-allocated Facilities and Services' revolving fund billing. This change in budgeting technique and cost recovery will increase customer satisfaction and will channel more funds into facility preventative maintenance. (General Administration Services Account-Nonappropriated)

#### **Technical Services and Plant Operations Support**

Plant Operations Support provides information, technical assistance, and consultation on physical plant operation and maintenance issues to state and local governments. These activities are funded through voluntary subscription charges and fee for service. Additionally, the program provides reimbursable services to the Washington public works community with a focus on the Office of the Superintendent of Public Instruction and the K-12 school systems. These services include the "Building on a Disk" scanning and indexing of facility drawings and operations manuals, facility condition assessment and capital budgeting assistance, limited public works project management, and selected small project in-house design. (General Administration Services Account-Nonappropriated)

#### **Utilities and Fixed Price Contracts**

This activity provides the funds to pay utility costs for all campus buildings, including natural gas, electricity, water, sewer, land fill. It also includes contracts for fire protection through the Olympia Fire Department, security through the Washington State Patrol, elevator/escalator maintenance, and debt service from energy efficiency projects.

In the 2003-05 Biennium, the budgeting technique for this activity is changed to nonappropriated/allotted status. Beginning in the 2005-07 Biennium, state agencies will reimburse the Department of General Administration for this activity through a negotiated rental agreement rather than through the cost-allocated Facilities and Services' revolving fund billing. This change in budgeting technique and cost recovery will increase customer satisfaction and will channel more funds into facility preventative maintenance. (General Administration Services Account-Nonappropriated)

#### **Visitor Services**

The State Capitol Visitor Services program provides public information and access to the public for the State Capitol Campus. Public information includes information about state agencies, the legislature, and tourist attractions on campus, in the local area and throughout the state. During renovation, Visitor Services will be a primary conduit relocation information for the public. (General Administration Services Account)

#### **Visitor Services - Events**

Visitor Services - Events coordinates campus events such as the reservation of facilities, including the Legislative Building and the Governor's Mansion, for citizen events. These facilities are used by citizens for weddings and other formal gatherings. Visitor Services - Events also schedules rallies and demonstrations. (General Administration Services Account)

## GOVERNMENTAL OPERATIONS

### **Project Management Services**

In the 2003-05 Biennium, the reimbursable (fee for service) component of the Division of Engineering & Architectural Services' (E&AS) two programs, Project Management Services and Barrier Free Facilities, will be budgeted through the operating budget instead of the capital budget. Previously, the authority to provide reimbursable services was provided through the capital budget. This budgeting methodology change will provide a true accounting of actual project management and barrier free services accomplished through the state's capital budget. Reimbursable services are project management and barrier free services that are provided for agencies whose capital projects are not supported by the state's capital budget or whose projects require an exceptional level of effort due to project complexity.

E&AS will continue to provide core (non-reimbursable) project management services that are funded through the state's capital budget and serve statutorily mandated clients (all state agencies with the exception of the four-year universities, natural resources agencies, the State Parks and Recreation Commission, and the Department of Transportation), through the state capital budget.

The staff, goods and services, and travel associated with reimbursable services are transferred from the capital budget to the operating budget. (General Administration Services Account-Nonappropriated)

### **Printing Services #**

The Department of Printing's staff and mission is transferred to the Department of General Administration (GA) as a new division. This merger will create administrative and operational efficiencies through the consolidation of similar services. Operational efficiencies will be recognized in GA's 2004 Supplemental Budget. (General Administration Services Account-Nonappropriated)

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 155

## Department of Information Services

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	428.1		207,456	207,456
<b>Total Maintenance Level</b>	443.6		209,287	209,287
Difference	15.5		1,831	1,831
Percent Change from Current Biennium	3.6%		0.9%	0.9%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(443.6)		(209,287)	(209,287)
Digital Learning		2,000		2,000
Acquisition Services	25.3		11,152	11,152
Agency Management and Administrative Support Services	54.8		10,193	10,193
Data Network Services	69.6		32,492	32,492
Digital Academy	7.0		1,232	1,232
Digital Government Services	9.9		3,134	3,134
Distributed Computing	29.7		5,928	5,928
Enterprise Security Services	11.6		2,588	2,588
Information Services Policy Development and Project Oversight	15.0		3,567	3,567
K-20 Educational Telecommunications Network	1.0		28,121	28,121
Mainframe Computing	147.3		57,804	57,804
Video Services	11.8		2,920	2,920
Voice Telephony Services	60.6		47,028	47,028
Employee-related and Internal Service Cost Adjustments			258	258
Staff Reductions and Operating Efficiencies	(14.1)		(676)	(676)
<b>Subtotal</b>	(14.1)	2,000	(3,546)	(1,546)
<b>Total Proposed Budget</b>	429.5	2,000	205,741	207,741
Difference	1.4	2,000	(1,715)	285
Percent Change from Current Biennium	0.3%	100.0%	(0.8)%	0.1%

### Digital Learning

The Digital Learning Commons is a web-based portal where students, parents, and teachers from around the state will have access to digital resources, learning tools and online classes. Advanced applications of rich multi-media digital content, including curriculum modules, online collections and resources, and sample student projects, will enhance curricula in schools. Online technology integration tools will help teachers and librarians make effective use of digital resources, and allow students to create personalized portfolios that can capture, preserve, and present their work. A demonstration project is funded through \$2 million in state funds, which will be matched by \$3 million in private grants. An independent, nonprofit organization will launch this public-private partnership, which will become self-sustaining after the start-up phase. The nonprofit organization must develop the project in close collaboration with schools. (General Fund-State)

## GOVERNMENTAL OPERATIONS

### Acquisition Services

The Department of Information Services (DIS) provides a convenient, single source for state and local government agencies to acquire information technology products and services to meet their business needs. State and local government can benefit from labor-saving support, informed recommendations, and the collective purchasing power of state and local government. Acquisition Services include technology consulting; acquisition support; desktop leasing; and master contracts. (Data Processing Revolving Account-Nonappropriated)

### Agency Management and Administrative Support Services

DIS was created by the Legislature in 1987 to provide telecommunications and computer services, and technology policy standards to state and local government. DIS is a discretionary provider of telecommunications and computer services. Agencies may elect to purchase services from other providers. DIS serves state agencies, school districts, cities, counties, public utility districts, colleges and universities, public hospitals, tribal organizations, and eligible non profit organizations in Washington. DIS management provides executive leadership, financial services, coordination of agency-wide activities, communications, media relations, internal application development and support, administrative support, and legislative liaison activity to support the department's functions. (Data Processing Revolving Account-Nonappropriated)

### Data Network Services

Data Network Services plans, implements, and manages data communication networks, providing controlled access and connectivity between the various computing platforms utilized in Washington and the people that require access to the applications and data residing on those platforms. The DIS-operated statewide network utilizes a hub-and-spoke network architecture connecting seven network nodes strategically located in the major population centers. Three distinct, logical governmental networks are supported, including the Campus Fiber Network on the capital campus in Olympia; the State Governmental Network of state government agencies; and the InterGovernmental Network that links cities and counties in Washington and state agencies requiring critical secured access to organizational databases. In addition, the Data Network Services group is responsible for the deployment and daily management of the education-related K-20 Network. (Data Processing Revolving Account-Nonappropriated)

### Digital Academy

The Digital Government Academy is a place set aside for agencies to develop new business solutions from an enterprise view by doing, learning, and collaborating. The academy exists to organize and drive to completion cross-agency initiatives with results that agencies own and implement; accelerate the development and deployment of digital government services (e-services); and bring state and local government entities together to provide services across jurisdictions to improve government service effectiveness. (Data Processing Revolving Account-Nonappropriated)

### Digital Government Services

The department supports the state of Washington's Internet portal, Access Washington and the companion enterprise search tool, Ask George, as well as state government's Intranet portal, Inside Washington(TM). These statewide web portals deliver the single face of Washington government and support the Governor's objectives for digital government. DIS also provides services to support agencies with development of web sites. The DIS Multimedia Team offers interactive design using the latest technologies, providing services ranging from the development of basic web pages for announcing an agency's presence on the web, to integration of video and audio in a web site. (Data Processing Revolving Account-Nonappropriated)

### Distributed Computing

The Department of Information Services (DIS) provides customers with server-based enterprise business solutions that integrate a variety of technical support options, for both customer and department-owned business processes. This includes the design, purchase, building, and support of the infrastructure that powers web-based digital government. A full menu of technical support services is provided for customer-owned or leased dedicated systems and department-owned digital government infrastructure systems and services. DIS supports agency-shared and dedicated servers and a variety of other platforms. These technologies allow customers to facilitate communications, integrate applications, take advantage of a full range of report and document management capabilities, deliver print and other electronic files from a variety of computers, securely transfer sensitive data between organizations, and offer electronic mail lists to citizens and partners through which they can learn about current events in specific areas of government. (Data Processing Revolving Account-Nonappropriated)

### **Enterprise Security Services**

Enterprise Security Services secures and protects the state's critical assets and information by providing statewide Internet protection; secure access services; and security consulting. (Data Processing Revolving Account-Nonappropriated)

### **Information Services Policy Development and Project Oversight**

DIS provides staff support to the Information Services Board (ISB), which is composed of representatives of all three branches of state government, as well as private industry. Activities include the development of statewide information technology (IT) policy, preparation of technical IT standards, oversight of major IT projects, and evaluation of the technical merits of proposed projects. DIS is also the lead agency and provides staff support for several gubernatorial and legislatively-mandated task forces and statewide initiatives in criminal justice, education, and geospatial data. (Data Processing Revolving Account)

### **K-20 Educational Telecommunications Network**

DIS manages and coordinates K-20 Network operations and maintenance. The network delivers data and video services to universities, community and technical colleges, and K-12 locations throughout the state. Principal cost components of network operation and maintenance are the lease of transport services from telecommunication service providers, maintenance of network hardware and software, and the personnel resources involved in the operation of the network. DIS also provides staff support for the K-20 Educational Network Board, which has policy, budget, and oversight responsibilities. (Education Technology Revolving Account-Nonappropriated)

### **Mainframe Computing**

DIS provides shared and dedicated mainframe processing services 24-hours per day, year-round to DIS customers on both IBM System/390 and Unisys computing platforms. Computing services on both platforms include technical support services for shared and agency-unique software products and output in multiple media formats. Examples of transactions performed include all warrants issued by state agencies (including worker's compensation, unemployment, and public assistance); law enforcement inquiries related to drivers, vehicles, and fingerprint data; and processing for licensing, child welfare, and corrections services. (Data Processing Revolving Account-Nonappropriated)

### **Video Services**

DIS delivers video and media production services, including video conferencing, video production, webcasts, and satellite broadcasts. DIS video conferencing sites are available across the state, and the department provides capability to connect with other video conferencing facilities both in and out-of-state. Video conferencing offers a solution for the barriers of distance, travel expense, and time away from the office. Webcasting delivers live or on-demand distribution of audio, video, and multimedia on the Internet, and allows viewers to watch live programming from their desktop computers. Viewers can interact with the presenters through phone calls or e-mail. Satellite broadcasting allows public access via cable television or at downlink sites nationwide. Programming for either satellite or webcasting can be archived on the Internet, or duplicated on tape for viewing after the live event. (Data Processing Revolving Account-Nonappropriated)

### **Voice Telephony Services**

DIS provides voice telephony services for state and local government. DIS offers a wide range of telecommunications services, including local and long distance telephone service, interactive voice recognition, automated call distribution, conference calling services, directory assistance, SCAN calling card services, customer support, and operator services. Advanced digital switching services in support of state agency video conferencing and the K-20 Network are also provided. (Data Processing Revolving Account-Nonappropriated)

## GOVERNMENTAL OPERATIONS

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 160

**Office of Insurance Commissioner****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	181.1		31,127	31,127
<b>Total Maintenance Level</b>	190.1		31,526	31,526
Difference	9.0		399	399
Percent Change from Current Biennium	5.0%		1.3%	1.3%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(190.1)		(31,526)	(31,526)
Agency Management and Administrative Support Services	33.0		5,783	5,783
Agents and Brokers Licensing and Education	21.8		3,290	3,290
Consumer Information and Advocacy	26.6		3,813	3,813
Health Insurance Benefit Advisors	15.2		2,974	2,974
Investigations and Enforcement	11.2		1,848	1,848
Monitoring Insurance Company Solvency	50.6		8,582	8,582
Policy and Enforcement	15.2		2,667	2,667
Regulation of Insurance Rates	28.2		4,723	4,723
Employee-related and Internal Service Cost Adjustments			152	152
Staff Reductions and Operating Efficiencies	(11.9)		(596)	(596)
<b>Subtotal</b>	(.2)		1,710	1,710
<b>Total Proposed Budget</b>	189.9		33,236	33,236
Difference	8.8		2,109	2,109
Percent Change from Current Biennium	4.9%		6.8%	6.8%

**Agency Management and Administrative Support Services**

The Insurance Commissioner is responsible for regulating the insurance industry in Washington State. The activities of the Office of the Insurance Commissioner are primarily funded by fees from insurance organizations. Agency management develops policies, regulations, and codes to ensure that the citizens of Washington are able to access affordable insurance, as well as provides the administrative support necessary for other divisions within the office to carry out their functions. (Insurance Commissioner's Regulatory-State)

A health insurance market study will be conducted to explore health care options. Computer modeling will be developed to assess the financial impact of possible market changes. An economist is added to the agency's management team to assist in this study.

In addition, GeoAccess software and system programming funding is provided to review health care provider networks.

## GOVERNMENTAL OPERATIONS

### **Agents and Brokers Licensing and Education**

Licensing and education staff issue approximately 28,000 new licenses and 89,000 new appointments per year for agents, brokers, solicitors, and adjusters. Staff involved in this activity also renew 22,774 licenses and 125,000 appointments per year. (Insurance Commissioner's Regulatory-State)

Funding is provided for staff to address increased licensing requirements and caseload, as well as for an automation examination specialist.

### **Consumer Information and Advocacy**

Staff responds to oral and written complaints and inquiries from consumers regarding insurance companies, and acts as an advocate when appropriate. Assistance is rendered to enforce the various provisions of the insurance code and is based on authority to take disciplinary action against an insurance company and other licensees. The unit's primary function is to ensure that consumer rights have not been violated. Staff also provides information to help consumers make educated decisions about insurance purchases. (Insurance Commissioner's Regulatory-State)

### **Health Insurance Benefit Advisors**

The Statewide Health Insurance Benefits Advisors HelpLine is a statewide network of trained volunteers who educate, assist, and advocate for consumers regarding health insurance and health care access issues. (Insurance Commissioner's Regulatory-State)

### **Investigations and Enforcement**

Staff investigates and acts upon violations of laws and rules regarding sales and marketing practices, account standards, and related matters. Staff also assists consumers with problems involving insurance sales or marketing practices by agents, brokers, or insurers. (Insurance Commissioner's Regulatory-State)

### **Monitoring Insurance Company Solvency**

This activity protects consumers by monitoring the solvency of insurance carriers, health care service contractors, health maintenance organizations, and certified health plans authorized to conduct business in Washington State. Solvency issues may be identified through market conduct examinations, financial examinations, or financial analysis of statements filed by insurers. If increased monitoring activity and insurer's response to that activity does not result in an improvement of the solvency issues, the Insurance Commissioner may petition the Superior Court for a rehabilitation order. Upon entry of a rehabilitation order, the insurer's management is suspended, and the Insurance Commissioner and their staff, as officers of the court, manage the insurer's operations. If rehabilitation is deemed unlikely, the court may order the insurer liquidated. The Insurance Commissioner continues to manage the operations of the insurer until liquidation is complete. (Insurance Commissioner's Regulatory-State)

Funding is provided for one additional market conduct examiner.

### **Policy and Enforcement**

Staff handles enforcement actions against insurance companies, health carriers, and others; provides information and counsel to other agency divisions; and supports the public policy activities of the agency. (Insurance Commissioner's Regulatory-State)

### **Regulation of Insurance Rates**

Staff reviews and approves the complex actuarial formulas, assumptions, and experience data submitted as part of a proposed rate filing to assure rates are neither excessive, inadequate, nor unfairly discriminatory. Timely and accurate review is necessary to assure the financial viability of the insurance company, as well as protecting Washington citizens from overcharges. Policy forms are reviewed to assure that the terms and conditions of the insurance contract comply with state and federal laws prior to sale in Washington. (Insurance Commissioner's Regulatory-State)



**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 165

**Board of Accountancy****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	9.0		1,738	1,738
<b>Total Maintenance Level</b>	8.3		1,649	1,649
Difference	(.7)		(89)	(89)
Percent Change from Current Biennium	(7.8)%		(5.1)%	(5.1)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(8.3)		(1,649)	(1,649)
Investigation of Public Accountants	.6		103	103
Regulation of Public Accountants	7.7		1,509	1,509
Employee-related and Internal Service Cost Adjustments			37	37
Staff Reductions and Operating Efficiencies			(6)	(6)
<b>Subtotal</b>	(.0)		(6)	(6)
<b>Total Proposed Budget</b>	8.3		1,643	1,643
Difference	(.7)		(95)	(95)
Percent Change from Current Biennium	(7.8)%		(5.5)%	(5.5)%

**Investigation of Public Accountants**

The State Board of Accountancy investigates certified public accountants (CPAs), CPA firms, and owners of CPA firms in response to complaints regarding their compliance with technical and ethical standards established by various federal and state boards, agencies, and offices. The Board also investigates and takes action against individuals posing as CPAs who are not certified. These investigations provide legal evidence for board enforcement action against individuals and firms who violate technical and ethical standards, and federal and state laws, regulations, and rules. Investigations are funded by license fees paid by CPAs, CPA firms, and firm owners. (Certified Public Accountants' Account)

**Regulation of Public Accountants**

The State Board of Accountancy issues licenses to certified public accountants (CPAs), CPA firms, and firm owners to ensure the reliability of financial information. The Board establishes and audits compliance with education, examination, good character, ethics, and experience requirements prior to licensure. To ensure CPAs continue to meet established standards of performance, the board audits the attestation work of CPAs and audits compliance with continuing professional education requirements. The Board is funded by license fees paid by CPAs, CPA firms, and firm owners. (Certified Public Accountants' Account)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

GOVERNMENTAL OPERATIONS

Agency 167

# Forensic Investigations Council

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>			276	276
<b>Total Maintenance Level</b>			274	274
Difference			(2)	(2)
Percent Change from Current Biennium			(0.7)%	(0.7)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base			(274)	(274)
State Toxicology Lab Management and Crime Lab Management			276	276
Employee/Internal Svc Cost Adjust			(2)	(2)
<b>Subtotal</b>				
<b>Total Proposed Budget</b>			274	274
Difference			(2)	(2)
Percent Change from Current Biennium			(0.7)%	(0.7)%

### State Toxicology Lab Management and Crime Lab Management

The Forensic Investigation Council is composed of law enforcement personnel and pathologists. The council reviews, recommends, and promotes improvements to the criminal justice and death investigation systems in Washington State. In conjunction with the University of Washington, the Council monitors the operations of the State Toxicology Laboratory and manages a State Forensic Pathology Fellowship Program. In addition, the Council reviews and monitors the budgets of the State Toxicology Laboratory and the Washington State Patrol Crime Laboratory, and appoints the State Toxicologist. (Death Investigations Account-State)

Agency 185

**Horse Racing Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	29.0		4,528	4,528
<b>Total Maintenance Level</b>	28.5		4,633	4,633
Difference	(.5)		105	105
Percent Change from Current Biennium	(1.6)%		2.3%	2.3%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(28.5)		(4,633)	(4,633)
Regulation of Horse Racing				
<b>Subtotal</b>	(28.5)		(4,633)	(4,633)
<b>Total Proposed Budget</b>	(.0)			
Difference	(29.0)		(4,528)	(4,528)
Percent Change from Current Biennium	(100.0)%		(100.0)%	(100.0)%

**Regulation of Horse Racing**

The Horse Racing Commission licenses, regulates, and supervises pari-mutuel horse racing. A primary responsibility of the Commission is the encouragement of the training and development of the equine industry in the state of Washington. Agency goals are to foster a regulatory environment that promotes the economic benefits derived from the equine industry and to ensure public confidence in the integrity of pari-mutuel racing. (Horse Racing Commission Account)

The Horse Racing Commission is eliminated. This activity is consolidated into the Department of Gaming.

GOVERNMENTAL OPERATIONS

Agency 195

# Liquor Control Board

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	949.5	2,969	154,992	157,961
<b>Total Maintenance Level</b>	945.0	2,932	147,847	150,779
Difference	(4.5)	(37)	(7,145)	(7,182)
Percent Change from Current Biennium	(0.5)%	(1.2)%	(4.6)%	(4.5)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(945.0)	(2,932)	(147,847)	(150,779)
Agency Management	19.8		4,195	4,195
Alcohol Server Training	1.0		100	100
Contract Liquor Store Operations			17,590	17,590
Enforcement of Liquor Control Laws	82.0		10,742	10,742
Financial Services	62.9		10,494	10,494
Financing of the Seattle Warehouse and Materials Handling System			5,717	5,717
Liquor Licensing and Permits	32.0		3,018	3,018
Liquor Purchasing and Merchandising	12.5		1,266	1,266
Liquor Warehouse Operations and Distribution	73.0		7,291	7,291
Regulation of Manufacturers, Importers and Wholesalers	10.0		1,130	1,130
Retail Liquor Sales Administration	9.0		1,859	1,859
State Liquor Store Operations	599.9		81,489	81,489
Technology Services	39.9		11,130	11,130
Tobacco Tax Enforcement	18.0		2,653	2,653
Youth Access to Tobacco	4.0			
Employee-related and Internal Service Cost Adjustments			1,991	1,991
Staff Reductions and Operating Efficiencies	(38.5)		(1,908)	(1,908)
Self-Insurance Premiums			954	954
<b>Subtotal</b>	(19.5)	(2,932)	11,864	8,932
<b>Total Proposed Budget</b>	925.5		159,711	159,711
Difference	(24.0)	(2,969)	4,719	1,750
Percent Change from Current Biennium	(2.5)%	(100.0)%	3.0%	1.1%

### Agency Management

The Liquor Control Board (LCB) establishes policies for the sale of alcoholic beverages and tobacco products throughout the state. Activities funded in this category include costs for the overall management of agency employees, and oversight of administrative and policy duties. These duties include adjudicative responsibilities to licensees, day-to-day operations, management of human resources, legislative programs, rules development, and public information. A portion of the costs in this activity represent the legal services provided by the Attorney General's Office and the Office of Administrative Hearings in performing adjudication hearings on the revocation or suspension of liquor licenses, and administrative actions and subsequent appeals taken against liquor and tobacco licensees. (Liquor Revolving Account)

The funding source for the Tobacco Tax Enforcement activity is changed from General Fund-State to the Liquor Revolving Account. This change will consolidate the funding source for both liquor and tobacco tax law enforcement within one account. Agency Management overhead, in the amount of \$296,000 dollars, associated with this activity, is also transferred for funding to the Liquor Revolving Account. (Liquor Revolving Account)

#### **Alcohol Server Training**

State law mandates training for servers in establishments that sell liquor for on-site consumption. This activity is commonly referred to as Mandatory Alcohol Server Training. (Liquor Revolving Account)

#### **Contract Liquor Store Operations**

The purpose of this activity is to pay commissions and minor operating expenses for contract liquor store retail outlets located in communities whose population is not large enough to support the operational expenses of a state-operated store. The Liquor Control Board, from recommendations by the Retail Division, appoints local business owners to sell products under contractual and code regulations.

The Liquor Control Board will open four new state liquor stores and one contract vendor store in areas of the state that are under-served due to rapid population growth. The new contract vendor store is projected to receive a commission amount of \$146,000 in Fiscal Year 2005. The five stores are projected to generate \$5.02 million in net revenue for state and local governments during the 2003-05 Biennium. (Liquor Revolving Account)

#### **Enforcement of Liquor Control Laws**

The Enforcement and Education Division is charged with investigating and prosecuting all violations and penal laws relating to transportation, possession, distribution, and the sale of liquor. The primary responsibility of the Division is to ensure public safety by preventing over-service, and reduce underage drinking at liquor license locations and unlicensed events such as keggers, college parties, and community events where alcohol is available. In addition, liquor and tobacco agents perform liquor premise inspections, investigate complaints against liquor licensees, conduct random compliance checks, and educate the citizens of the state on the adverse effects of alcohol.

Legislation passed during the 2001 Legislative Session requires that newly hired Liquor and Tobacco Enforcement Officers successfully complete the Basic Law Enforcement Academy (BLEA) training prior to conducting routine enforcement operations. From Fiscal Year 2004 through 2012, the Board will send eight Liquor and Tobacco Enforcement Officers per year through the Academy (at a total cost of \$220,000 per biennium), to ensure all currently assigned officers receive the benefit of this training. BLEA training will implement the recommendation of the 1999 Governor's Citizens' Review Panel to increase the professional standards and clarity of operational procedures through increased involvement with the Criminal Training Justice Commission in providing enforcement officer training needs. (Liquor Revolving Account)

#### **Financial Services**

This activity involves financial services that support the internal operations of the Liquor Control Board or benefit other state agencies and local governments. Services include accounting; budgeting; forecasting of revenues; and the collection, distribution, and reporting of liquor taxes, liquor profits, license fees, lottery ticket sales, and revenues from tobacco seizures. Additionally, the Audit and Loss Prevention Services Section performs internal audits of the Board, state-owned and contractor-owned liquor stores, and warehouse operations and tax audits of liquor manufacturers, importers, and wholesalers. This activity also includes the budget for all overhead costs of the agency, including rent, utilities, records management, charges by the Department of Information Services and State Auditors Office, and the vehicle replacement fund. (Liquor Revolving Account)

#### **Financing of the Seattle Warehouse and Materials Handling System**

The Seattle Warehouse is financed from Certificates of Participation instruments. The proceeds of the certificates are used to demolish the former warehouse, construct a new warehouse building, and acquire a substantially-improved materials handling system. The payment period is from 1997-2008, with several opportunities to make early payments. (Liquor Control Board Construction and Maintenance Account)

## GOVERNMENTAL OPERATIONS

### **Liquor Licensing and Permits**

The Program Administration, License Investigation, License Processing, and Customer Service Units provide review, investigation, and reporting on all license applications, permit applications, and requests from current license holders to modify business structure or operation; approve all liquor license and permit applications and renewals, except those of a controversial nature, involving extensive investigation, or requiring a Board decision; provide a process for accountability for all liquor license and permit fees; maintain official licensing records and make documents available for court, administrative action, and public records requests; provide a point of contact and general licensing information for license applicants and the general public; maintain a reception desk to receive customers; and provide assistance for other divisions of the Board. (Liquor Revolving Account)

### **Liquor Purchasing and Merchandising**

The Purchasing Division's function is to provide the citizens of the state of Washington a wide selection of alcoholic beverages at reasonable prices. The division recommends product listings to the Board and manages inventory in the Distribution Center. The Special Order Program allows customers to obtain products that are not in general listings. (Liquor Revolving Account)

### **Liquor Warehouse Operations and Distribution**

The Board operates a warehouse for the storing and shipment of liquor. The warehouse located in Seattle, receives products from suppliers, and ships products to state liquor stores and contract liquor stores throughout the state. (Liquor Revolving Account)

### **Regulation of Manufacturers, Importers and Wholesalers**

The Manufacturers, Importers and Wholesalers (MIW) Section is responsible for ensuring the proper administration of all state liquor laws and administrative rules applicable to beer, wine, and spirit manufacturers, importers, distributors, and interstate common carriers (ICCs). MIW works closely with the agency's Administrative Services Program to ensure proper and timely payment of beer and wine taxes. The Section provides education, training, and other technical assistance to manufacturers, importers, distributors, and ICCs; investigates complaints and violations involving non-retail licensees; maintains and monitors a price-posting program for the manufacturing and distributor levels of the non-retail liquor industry; provides a product and label approval program for all beer and wine products planned for sale in Washington; provides liquor advertising approvals and denials, education, and assistance for license holders and marketing representatives; and maintains a Criminal History Record Information (CHRI) office for conducting checks of license applicants and to assist liquor and tobacco criminal investigations. (Liquor Revolving Account)

### **Retail Liquor Sales Administration**

Under the direction of the Retail Division director, the Store Development and Maintenance Section, and the Property Specialist, of this unit activities include strategic planning, store remodels and maintenance, store site selection, and negotiation of leases for the Retail Operation. The Retail Division director and staff members, in conjunction with district managers, supervise state liquor stores and contract liquor stores. Store Development strategically locates stores in revenue producing areas. Leases are contracted for five to ten years, and expired leases require negotiation to renew or obtain new sites. (Liquor Revolving Account)

### **State Liquor Store Operations**

The purpose of state liquor stores is controlled distribution to qualified customers and the provision of products sought by customers. Store personnel are trained to identify underage customers, as well as customers who may be intoxicated. Unqualified customers are denied sale. Store managers place weekly orders to replenish store inventory. Frequent ordering allows faster reaction to customer demands. Store managers also schedule part-time help to meet fluctuating volumes of customers. (Liquor Revolving Account)

Funding of \$3.136 million is needed to effectively operate eleven state liquor stores and to increase store hours for 82 liquor stores, which would produce \$1.4 million in net state revenue (of this amount, \$918,000, is General Fund-State).



The Liquor Control Board currently operates 157 retail stores statewide. In order to improve customer service, \$369,000 is needed to relocate thirteen stores to follow the population growth and changing marketing practices. The new locations are projected to increase revenue to the state and local governments by \$4.2 million during the 2003-05 Biennium. In addition, the Board will open four new state liquor stores and one contract vendor store in areas of the state that are under-served due to rapid population growth. Cost to open four new state stores is \$2.026 million. The five stores are projected to generate \$5.02 million in net revenue for state and local governments during the 2003-05 Biennium.

#### **Technology Services**

This activity provides the computer services necessary to operate state and contract liquor stores and all other organizations of the Liquor Control Board. Technology Services supports mission-critical systems, including Point of Sale (POS), the Warehouse Management System (WMS), Merchandising, Regulatory, Financial, and Human Resource systems. Technology Services provides a customer hotline and on-site technical support; supports hardware and software, voice, and data networks; conducts strategic business/technology planning and implementation; develops and implements information technology policies, guidelines, and practices; and provides technology and acquisitions consulting. The unit trains end-users in the technology needed to accomplish their jobs. (Liquor Revolving Account)

In the 2001-03 Biennium, new "cash register" technology, known formally as the Merchandising Business System (MBS), replaced the agency's obsolete, hard-to-maintain POS system. MBS also established an enterprise-wide foundation to support the information flow throughout the entire retail supply cycle. In the 2003-05 Biennium, the Liquor Control Board will purchase MBS software licenses; hire a database administrator, network security specialist and retail POS specialist dedicated to refining the application interfaces and supporting the database, business rules, parameters, user profiles and security; and expand network bandwidth to maximize transmission speeds for MBS business transactions. Projected expenditures related to this initiative are \$1.921 million for the biennium. In addition, \$2 million of the \$4.8 million MBS 2001-03 Biennium planned expenditures that are estimated to be unspent are provided in the 2003-05 Biennium for use in fielding new POS "cash register" technology to all 157 state liquor stores.

#### **Tobacco Tax Enforcement**

Liquor and tobacco agents enforce state tax laws for cigarettes and other tobacco products, and applicable federal statutes and regulations to promote voluntary compliance and increase excise tax collections. Revenue is lost to the state each year due to tax evasion on cigarette and tobacco products. Liquor and tobacco agents are critical in preventing tax evasion tactics. (Liquor Revolving Account)

The funding source for this activity is changed from General Fund-State to the Liquor Revolving Account. This change will consolidate the funding source for both liquor and tobacco tax law enforcement within one account.

Legislation passed during the 2001 Legislative Session requires that newly hired Liquor and Tobacco Enforcement Officers successfully complete the BLEA training prior to conducting routine enforcement operations. From Fiscal Year 2004 through 2012, the Board will send eight Liquor and Tobacco Enforcement Officers per year through the Academy (at a total cost of \$220,000 per biennium for all officers, and \$44,000 for Tobacco Enforcement Officers), to ensure all currently assigned officers receive the benefit of this training. BLEA training will implement the recommendation of the 1999 Governor's Citizens' Review Panel to increase the professional standards and clarity of operational procedures through increased involvement with the Criminal Training Justice Commission in providing enforcement officer training needs. (Liquor Revolving Account)

#### **Youth Access to Tobacco**

The Enforcement and Education Division oversees state compliance of the federal law mandating states to restrict the sale of tobacco products to persons under age 18. The Division is responsible for conducting tobacco premise inspections, investigating complaints against tobacco licensees, and conducting random compliance checks on tobacco licensees. This activity is funded through an interagency agreement with the Department of Health.

## GOVERNMENTAL OPERATIONS

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

### **Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

Agency 215

## Utilities and Transportation Commission

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	167.1		31,482	31,482
<b>Total Maintenance Level</b>	162.1		30,781	30,781
Difference	(5.0)		(701)	(701)
Percent Change from Current Biennium	(3.0)%		(2.2)%	(2.2)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(162.1)		(30,781)	(30,781)
Administrative Law	8.0		996	996
Commission Legal Representation			2,150	2,150
Commissioners' Office	7.0		1,387	1,387
Economic Regulation of Solid Waste Companies	8.2		1,176	1,176
Economic Regulation of Carriers, Pipeline, Air Porter, Waste Disposal and Ferry	.1		134	134
Economic Regulation of Energy Companies	16.0		2,602	2,602
Economic Regulation of Telecommunications Companies	16.6		2,666	2,666
Economic Regulation of Water Companies	4.0		580	580
Employee Services	8.8		1,386	1,386
Financial and Budget Services	14.0		1,856	1,856
Information Services Support	8.0		1,914	1,914
Library and Research Services			342	342
Licensing - Regulated Utilities and Transportation Companies	5.1		720	720
Pipeline Safety	15.0		3,158	3,158
Policy Planning and Research	6.0		1,308	1,308
Public Affairs	4.0		734	734
Public Counsel			1,426	1,426
Railroad Safety #	10.1		1,875	1,875
Records and Information Management	5.3		674	674
Regulated Transportation Company Compliance and Safety	11.4		1,660	1,660
Regulation of Consumer Services	14.5		1,918	1,918
Employee-related and Internal Service Cost Adjustments			494	494
Staff Reductions and Operating Efficiencies	(8.8)		(446)	(446)
Self-Insurance Premiums			98	98
<b>Subtotal</b>	(8.8)		27	27
<b>Total Proposed Budget</b>	153.4		30,808	30,808
Difference	(13.8)		(674)	(674)
Percent Change from Current Biennium	(8.2)%		(2.1)%	(2.1)%

### **Administrative Law**

State law requires the Commission to conduct adjudications in disputed ratemaking matters and in complaints filed by the Commission or others against regulated companies. The division's administrative law judges ensure compliance with procedural requirements of the Administrative Procedure Act and with constitutional requirements of due process, conduct hearings, and ensure that the notice and other administrative requirements of law are met. The division provides mediation and arbitration services and facilitation services to parties engaged in disputes that are within the agency's jurisdiction. The division also provides procedural and legal advice to commissioners relating to adjudications, rulemakings, and open meeting matters, and provides accounting advice when needed about ratemaking issues in adjudications. (Public Service Revolving Account)

### **Commission Legal Representation**

The Office of the Attorney General (AGO) provides legal advice to the Commission and is responsible for representing the Commission when its decisions are appealed to state and federal courts. The AGO assists the Commission as it participates in rulemakings and other proceedings before federal agencies. The AGO also provides legal representation to regulatory staff appearing in contested proceedings before the Commission. The role of Commission staff and AGO representatives is to represent the public interest in Commission proceedings. (Public Service Revolving Account)

### **Commissioners' Office**

The Commission is both a quasi-judicial and quasi-legislative state agency. It is the responsibility of the three commissioners to regulate privately-owned utility and transportation businesses so that services are fairly priced, available, reliable, and safe. Matters brought before the Commission include changes to company rates; terms or conditions for service (tariff revisions); requests by companies for authority to take action, such as transfer property, issue securities, or change accounting practices; and notices of inquiry and rule makings. Issues involving substantial disagreements or those requiring further fact-finding become formal, adjudicated legal proceedings in which the commissioners will rule, as would a court of law. The Commission also advocates formally and informally before federal bodies. It is the job of the Executive Secretary to provide management oversight, administration, and day-to-day operations of the Commission. (Public Service Revolving Account)

### **Economic Regulation of Solid Waste Companies**

Economic regulation of solid waste companies involves overseeing the rates and business practices of the 23 regulated collection companies doing business in Washington State. The Solid Waste Section works with solid waste collection companies to set fair rates for the collection of residential and commercial garbage, and residential recyclables, and to resolve related service problems. The section has the primary responsibility within the agency to develop, explain, and enforce solid waste rules and policies to protect consumers and encourage investment. It also reviews tariff changes of regulated solid waste companies. Staff works with counties and cities to develop comprehensive solid waste management plans, with collection companies to implement the plans and provide required services; and with the Department of Ecology on recycling and the State Solid Waste Management Plan. (Public Service Revolving Account)

### **Economic Regulation of Carriers, Pipeline, Air Porter, Waste Disposal and Ferry**

Economic regulation of transportation companies involves overseeing the rates, routes, services, and practices of regulated intercity bus, household goods, air porter, pipeline, low-level radioactive waste disposal, and commercial ferry companies. Staff processed 93 dockets related to these companies during 2001, generally involving company filings proposing to increase rates and charges or change service levels. (Public Service Revolving Account)

### **Economic Regulation of Energy Companies**

Economic regulation of energy companies involves overseeing the rates and business practices of the state's investor-owned natural gas and electric distribution companies doing business in Washington State. The Energy Section has the primary responsibility within the agency to develop, explain, and enforce electric and natural gas rules and policies to protect consumers, encourage investment, and ensure adequate energy supplies. The section also reviews tariff changes and contracts of regulated energy companies; provides leadership on policy and operational issues within the energy industry; assists the Commission with recommendations to other energy agencies; and assists in crafting solutions to regional problems. The Energy Section presents expert testimony in major contested cases before the Commission, including rate increase requests, corporate mergers, prudence reviews, and cost of service studies. (Public Service Revolving Account)

### **Economic Regulation of Telecommunications Companies**

Economic regulation of telecommunications companies involves overseeing the rates and practices of regulated telecommunications companies doing business in Washington State. The Telecommunications Section has the primary responsibility within the agency to develop, explain, and enforce telecommunications rules and policies to protect consumers, promote competition, and encourage investment and innovation. The section reviews tariff and price list changes, contracts, and interconnection agreements of telecommunications companies; monitors the financial performance of approximately 20 companies that continue to have a captive customer base; provides leadership on policy and operational issues within the telecommunications industry; and works closely with all segments of the telecommunications industry, including other government agencies and unregulated carriers such as wireless companies and Internet providers. The section presents expert testimony in major contested cases before the agency, and also helps telecommunications competitors resolve their disputes informally and, when necessary, participates in formal arbitration and enforcement cases. (Public Service Revolving Account)

### **Economic Regulation of Water Companies**

Economic regulation of water companies involves overseeing the rates and business practices of the 62 regulated water companies doing business in Washington State. The Water Section works with privately-owned water companies and their customers to set fair rates for drinking water, and protects captive water customers from the potential abuse of the water companies. The Water Section has the primary responsibility within the agency to develop, explain, and enforce water rules and policies to protect consumers and encourage investment. The section also reviews tariff changes of regulated water companies; works with water companies and the Department of Health's Drinking Water Program to resolve service complaints; and addresses water quality and quantity issues that arise during a rate case. (Public Service Revolving Account)

### **Employee Services**

Employee Services provides recruitment, retention, career development, recognition, safety, and other personnel services to Commission employees. Risk management, facilities and vehicle management, purchasing, inventory and supply management, telecommunications, and mailroom services support Commission activity. Central administrative and reception support is also provided by this section. The section is responsible for analyzing legislation that affects staff and their benefits, as well as developing, implementing, and monitoring programs in the areas of human resources, affirmative action, and other areas of support to the Commission and staff. (Public Service Revolving Account)

### **Financial and Budget Services**

This activity provides budgetary and fiscal support for the agency management decision-making process, and provides agency data for statewide reporting functions. The financial function consists of accounting for the agency's revenues and expenditures in compliance with governmental accounting standards and practices. The budget function consists of preparing, submitting, monitoring, and updating the agency's biennial budget in accordance with executive and legislative direction. (Public Service Revolving Account, Pipeline Safety Account-State, Pipeline Safety Account-Federal)

The Utilities and Transportation Commission's financial system upgrade, which started in the 2001-2003 Biennium, will be completed in the 2003-2005 Biennium. This financial system upgrade will automate accounting entries, increase security and internal controls, and provide more timely and accurate data to agency managers through improved reporting. Estimated cost is \$150,000. (Public Service Revolving Account)

## GOVERNMENTAL OPERATIONS

### Information Services Support

This activity contributes to the Utilities and Transportation Commission's (UTC) mission by supporting the work of UTC's analytical and technical staff and by providing web-hosting services for the UTC website. Activities include providing training and assistance to staff; developing and maintaining custom applications; and maintaining and enhancing UTC's technology infrastructure as required by Commission business needs. (Public Service Revolving Account)

### Library and Research Services

At the request of UTC staff, Library Services responds to more than 150 research assistance requests each month and circulates over 300 journals and other periodicals. The extensive technical knowledge of the librarians allows them to work as partners with UTC staff, freeing staff to focus on more complex work while ensuring that essential research and information needs are cost-effectively met. The UTC library is a branch of the State Library, and services are provided under contract. (Public Service Revolving Account)

### Licensing - Regulated Utilities and Transportation Companies

The Licensing Section performs a variety of activities related to the operating authority which regulated utility and transportation companies must acquire in order to do business in Washington. The section monitors basic requirements these companies must meet to retain authority to operate. (Public Service Revolving Account)

### Pipeline Safety

Safety regulation of natural gas and hazardous liquids pipelines involves ensuring that pipeline companies operating in Washington construct and operate their pipelines in accord with state and federal statute and regulation. The Pipeline Safety Division conducts inspections of pipelines; conducts audits of company practices; investigates pipeline accidents; and reviews the design and construction of new pipelines. The division has the primary responsibility within the agency to develop, explain, and enforce pipeline rules and policies to protect Washington citizens and encourage the safe movement of these products. Staff members work closely with local governments, community organizations, the first responder community, and citizens to ensure they are informed of pipeline issues in their communities. Washington is one of six states granted inspection authority over interstate pipelines. (Pipeline Safety Account-State, Pipeline Safety Account-Federal)

### Policy Planning and Research

This activity provides substantive advisory support to the commissioners and to administrative law judges in contested cases before the Commission. Key outcomes include an increased capacity of decision-makers to handle more cases and to make better decisions in those cases. This activity includes summarizing policy issues and offering decision options in contested cases; coordinating the Commission's state and federal legislative activities; analyzing state and federal legislation that affects regulatory policy and practice; coordinating with expert staff throughout the Commission to develop a recommended agency position, draft testimony, coordinate with the Governor's Office, and draft letters to members of Congress; analyzing policy and processes at federal regulatory agencies, and preparing comments and other responses to rulemakings and federal regulatory investigations; and researching emerging policy issues and changes in the regulatory environment caused by new economic, financial, institutional, and technological trends. (Public Service Revolving Account)

### Public Affairs

This activity supports the UTC mission by providing outreach, educational materials, and services to citizens interested in matters before the UTC. Activities of the Public Affairs Section include helping citizens participate in matters before the UTC and responding to thousands of consumer contacts about those matters; developing and distributing consumer education materials; advising regulated companies on the UTC's customer notice rules; responding to media inquiries; and managing the UTC website. The section also shares the concerns of consumers and the perspectives of the media with the commissioners and staff. (Public Service Revolving Account)

### Public Counsel

The Public Counsel Section of the Office of the Attorney General is responsible for representing the interests of residential and small commercial customers in utility proceedings before the UTC and state courts. In 2001, the Public Counsel Section participated in approximately 40 formal cases and ten rulemakings before the UTC, as well as three court cases involving utility matters. (Public Service Revolving Account)

**Railroad Safety #**

The Railroad Safety Section involves Commission activities in three areas, including engineering, enforcement, and education. Activities include inspections of hazardous materials handling, track, operating practices, signals, and clearance; investigations of trespassing, crossing, and derailment incidents; participation in Operation Lifesaver, a national effort to inform the public about rail safety issues; and primary responsibility within the agency to develop, explain, and enforce rail safety rules and policies to protect Washington citizens. Section inspectors work with local road authorities, the Washington State Department of Transportation, railroad companies, and the public to ensure that railroad/highway crossings and other rail-related structures are built, maintained, altered, and closed in the safest manner possible. A major emphasis of the section is mitigating this particular hazard. (Grade Crossing Protective Account)

Proposed legislation will expand the use of the Grade Crossing Protective Account funding to be used for other rail safety projects. The matching requirement for local governments on projects less than \$20,000 is deleted. These rail safety projects will be designed to reduce deaths and injuries from the interaction of the public with rail traffic. The estimated cost is \$167,000. (Grade Crossing Protective Account)

**Records and Information Management**

This activity contributes to the UTC mission by providing centralized records management support for the UTC. Activities include managing the UTC formal case files for rulemaking and adjudications; docketing approximately 2,000 filings by regulated companies each year; posting electronic documents to the UTC website; and responding within 48 hours to an average of 45 public records requests and 400 records-related inquiries each month. (Public Service Revolving Account)

**Regulated Transportation Company Compliance and Safety**

This activity involves comprehensive field audits and investigations of regulated transportation companies to ensure compliance with state law and commission rules related to public safety and consumer protection. Safety audits conducted by the Compliance and Safety Section are the primary focus and include commercial vehicle inspections; driver qualifications; hours of service; and drug and alcohol testing. Investigators also conduct a variety of on-site inspections, including pay telephones, prepaid phone card outlets, and railroad/highway crossings. (Public Service Revolving Account)

**Regulation of Consumer Services**

This activity supports the UTC consumer protection mission by ensuring that Washington State consumers are treated appropriately, fairly, and consistently by regulated companies. UTC's Consumer Affairs Section works directly with consumers who contact the UTC regarding business disputes with regulated companies. Activities include mediating disputes between consumers and regulated companies; responding to consumers' questions about service, their rights and responsibilities, and issues before the UTC; providing technical assistance to companies to help them improve service delivery and reduce complaint levels; evaluating company service levels, operating practices, and existing rules; analyzing complaint data for consumer fraud, deception, or abuse; conducting formal investigations into companies that appear to be using unfair, misleading, or deceptive business practices; making recommendations to the UTC on needed compliance actions or improvements; and monitoring companies after formal action to ensure UTC directives are met. (Public Service Revolving Account)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

## GOVERNMENTAL OPERATIONS

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

### **Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 Biennium.



Agency 220

**Board for Volunteer Firefighters****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	3.0		577	577
<b>Total Maintenance Level</b>	3.0		687	687
Difference			110	110
Percent Change from Current Biennium	0.0%		19.1%	19.1%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(3.0)		(687)	(687)
Benefits to Volunteer Firefighters and Reserve Law Enforcement Officers	3.0		579	579
Employee-related and Internal Service Cost Adjustments			131	131
Staff Reductions and Operating Efficiencies			(6)	(6)
<b>Subtotal</b>			17	17
<b>Total Proposed Budget</b>	3.0		704	704
Difference			127	127
Percent Change from Current Biennium	0.0%		22.0%	22.0%

**Benefits to Volunteer Firefighters and Reserve Law Enforcement Officers**

The Board for Volunteer Firefighters administers the Volunteer Firefighters' Relief and Pension Act, which provides medical, disability, and survivors' benefits to volunteer firefighters who are injured or killed in the performance of duty. In addition, the Board provides a pension plan for both volunteer firefighters and reserve law enforcement officers as an incentive to keep them active for longer periods of time. This program provides essential support that enables citizens to volunteer in protecting their communities. (Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Administrative Account)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

# GOVERNMENTAL OPERATIONS

Agency 245

## Military Department

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	213.5	18,214	130,814	149,028
<b>Total Maintenance Level</b>	248.0	17,908	110,789	128,697
Difference	34.5	(306)	(20,025)	(20,331)
Percent Change from Current Biennium	16.2%	(1.7)%	(15.3)%	(13.6)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(248.0)	(17,908)	(110,789)	(128,697)
Disaster Response and Recover	18.6	2,192	958	3,150
Emergency Management Analysis and Plans	12.4	837	518	1,355
Emergency Management Exercises and Training	9.9	705	732	1,437
Employer Support of the Guard and Reserves				
Enhanced 911 Program	12.4		34,281	34,281
Environmental Management	11.1	262	2,813	3,075
Facility Operations and Maintenance	85.3	9,332	9,787	19,119
Facility Planning, Design and Construction	12.4	484	927	1,411
Hazard Mitigation	2.5	235	545	780
Military Records Management	4.3	290	286	576
Nisqually Earthquake Recovery	31.0		60,178	60,178
All-Hazards Program Management	15.5	1,329	9,347	10,676
Disaster Preparedness Public Education	1.2	210	67	277
Public Emergency Information System	2.5	250	153	403
Real Property Management	4.9		883	883
Security Services	24.7	150	1,530	1,680
Homeland Security	4.0	1,000	75,000	76,000
Vehicle and Equipment Maintenance				
Washington State Emergency Management Council				
Washington State Guard				
Employee-related and Internal Service Cost Adjustments		289	305	594
Staff Reductions and Operating Efficiencies	(6.2)	(114)	(138)	(252)
Self-Insurance Premiums		262		262
<b>Subtotal</b>	(1.5)	(195)	87,383	87,188
<b>Total Proposed Budget</b>	246.5	17,713	198,172	215,885
Difference	33.0	(501)	67,358	66,857
Percent Change from Current Biennium	15.5%	(2.8)%	51.5%	44.9%

### Disaster Response and Recover

The Emergency Management Division (EMD) is responsible for recovery activities following a major disaster. It manages the Emergency Operations Center (EOC), which is the principal location for coordinating the state's response to a disaster. Programs include: the Alert Warning Center, a communications center which serves as the state's Public Service Answering Point and is the initial contact point for emergency state assistance to local jurisdictions, Enhanced 911 centers, private industry, state agencies, and other organizations; funding for state and local government agencies, certain private nonprofit organizations, and Indian tribes to recover from presidentially

declared disasters and federally declared fires; and the Human Services Program, which assists local jurisdictions in preparing for disaster recovery operations and in obtaining disaster assistance through the disaster designation/declaration process, and serves the public, businesses, farms, ranches, and fisheries by seeking federal disaster assistance as appropriate. (General Fund-State, General Fund-Federal, Disaster Response Account)

In the event of a disaster, the Military Department is required to quickly gather information related to the extent and estimated cost of damage in order to assess the need for federal emergency disaster assistance. If federal assistance is granted, the Department must coordinate with state agencies, local jurisdictions, and other organizations to assess eligibility for cost reimbursement. Because all information is currently collected and stored on paper, the process is burdensome on the agency and those impacted by the disaster. The Department will develop an automated system to efficiently and effectively collect and track damage assessment information following a disaster. The system will allow impacted organizations to provide information through an Internet template, and produce a database that can be updated as projects are developed, approved, and modified throughout the recovery process. Currently, the Military Department is managing over \$135 million in federal and state funds for recovery from floods and the Nisqually Earthquake. (Disaster Response Account)

### **Emergency Management Analysis and Plans**

The Analysis and Plans (A&P) Section develops and coordinates state emergency response and recovery plans, and is responsible for all-hazards analysis. This section authors the State Comprehensive Emergency Management Plan; reviews all jurisdictions' comprehensive plans; produces and maintains the Risk Assessment Hazard Identification and Vulnerability Assessment; coordinates the Emergency Management Assistance Compact for the state; monitors local, interstate, and international agreements; and drafts emergency proclamations. A&P provides analysis and planning support to the Emergency Management Division and assists local governments, state agencies, and volunteer organizations in the use of Geographical Information System (GIS), remote sensing, and hazards analysis tools such as HAZUS (Hazards US), FEMIS (Federal Emergency Management Information System), and MapPoint in the development of emergency response, recovery, and mitigation plans. (General Fund-State, General Fund-Federal, Worker and Community Right To Know Account)

### **Emergency Management Exercises and Training**

The Training Section provides training and education to local governments, state agencies, and volunteer organizations that are critical for the preparedness of, response to, and recovery from local and statewide emergencies and disasters. This all-hazards approach to training includes courses in emergency management disciplines, recovery operations, terrorism and weapons of mass destruction, hazardous materials, and natural hazards, as well as skill level courses in areas such as flood fighting, mass fatalities response, and earthquake mitigation. This training is designed to ensure that emergency responders provide a safe, rapid response while minimizing life and property losses. The Exercise Section provides support to local governments, state agencies, volunteer organizations, and, in certain situations, private enterprises in developing, conducting, and evaluating exercises. Exercises are designed to test the response, recovery, preparedness, and mitigation phases of emergency management, with the ultimate goal of saving lives, minimizing property damage, and reducing the impacts of hazards on the state's environment and economy. (General Fund-State, General Fund-Federal, Worker and Community Right To Know Account)

### **Employer Support of the Guard and Reserves**

The Employer Support of Guard/Reserves Program (ESGR) informs employers of the increasing importance of the National Guard (Army and Air) and Reserves (Army, Air Force, Marines, Navy, and Coast Guard). ESGR communicates the necessity for and the role of these forces in national defense. The program provides advice to employers and military members about their rights and responsibilities under the law and seeks resolutions to misunderstandings between employers and reservists. (General Fund-State)

This activity has been eliminated. General Fund-State savings are \$28,000.

## GOVERNMENTAL OPERATIONS

### Enhanced 911 Program

The Enhanced 911 (E911) Program works with counties and communications companies to ensure the E911 system is available to all state residents, provides oversight of statewide 911 wireline and wireless activities, and interacts with telecommunications companies and the Utilities and Transportation Commission to ensure 911 calls are routed and received correctly in accordance with national standards. The E911 State Coordinator is responsible for setting standards for wireless E911 operation and rules for fiscal assistance to counties. (Enhanced 911 Account)

Under the Enhanced 911 Program, the Military Department provides technical and financial assistance to county E911 operators to ensure that when 911 is dialed, a person will answer and will be able to identify where the caller is. All counties are collecting the maximum local taxes permitted by law to cover E911 local expenses; only seven counties collect sufficient revenue to maintain minimum service requirements. State funds are also used to pay statewide expenses at a more economical cost than individual counties would be able to obtain. In addition to the infrastructure necessary to support standard calls, new federal requirements mandate that systems be established that will provide the location of callers using wireless telephones. New wireless system needs, along with aging equipment to continue to support wireline calls, necessitate an increased level of support for counties. Staff are needed to provide additional technical support for wireless technology, while the need for wireline technical support continues. Funding includes \$2,233,000 for one-time equipment purchases. (Enhanced 911 Account)

### Environmental Management

Environmental Management ensures all Military Department activities are in compliance with federal, state, and local environmental laws and regulations by completing corrective action projects; identifying and implementing mitigation measures; providing training; conducting inspections; responsive spill response; comprehensive planning; developing and implementing agency regulations, policies, and procedures; interagency coordination; and training. (General Fund-State, General Fund-Federal)

### Facility Operations and Maintenance

The Military Department's Maintenance Program conducts routine and emergency repair and maintenance, and provides caretaker and custodial services at facilities statewide, ensuring the readiness training and support of the Washington National Guard and EMD. The Military Department has Army National Guard, Air National Guard and EMD facilities located in 37 communities, comprising over 3.1 million square feet of floor space, used by nearly 8,000 guard members and department employees on a monthly basis. Many facilities are also used by local school districts, youth groups, law enforcement, and public safety organizations, as well as the Red Cross, food banks, and charities for a nominal fee which covers the increased utility, maintenance, and operational costs. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

Cost allocation adjustments are made to the maintenance costs of these facilities, resulting in a shift from General Fund-State to General Fund-Federal of \$500,000.

### Facility Planning, Design and Construction

The Military Department's Capital Programs and Facility Planning Section provides facility planning, budgeting, design, and construction project management services for all Military Department activities in support of facility requirements. These functions are critical to ensure facilities are planned, designed, and constructed following federal and state standards and regulations. (General Fund-State, General Fund-Federal)

### Hazard Mitigation

The Hazard Mitigation Program encourages communities to enhance their disaster resistance through the development of hazard mitigation plans, structural and non-structural mitigation projects, and the development of public-private partnerships to strengthen community commitment to hazard mitigation. A variety of financial and technical assistance programs are administered for hazard mitigation activities preceding and following a presidential disaster or emergency declaration. As part of a disaster recovery effort, the Federal Emergency Management Agency (FEMA) provides funding for mitigation projects to minimize damages from future events. The State Hazard Mitigation Program coordinates the creation and maintenance of comprehensive state and local hazard mitigation programs. Recent changes to the federal Stafford Act have made a FEMA-approved hazard mitigation plan a prerequisite for receiving disaster assistance and federal fire management assistance. (General Fund-State, General Fund-Federal)

### **Military Records Management**

The Military Department is required to include keep military personnel records of all active, reserve, and retired officers updated and orderly. Additionally, other records must be maintained to report to the Governor on operations and conditions of the National Guard. The Department is also required to keep all records of enlisted members and their service records. (General Fund-State, General Fund-Federal)

Cost allocation adjustments result in a shift from General Fund-State to General Fund-Federal of \$286,000.

### **Nisqually Earthquake Recovery**

EMD is the coordination point for recovery from the February 28, 2001, Nisqually Earthquake, the largest major disaster recovery effort managed by the division. The division has established a recovery field office in Olympia to work with applicants throughout the repair and restoration process of over 1,800 projects statewide. This recovery effort is expected to continue through 2007, in partnership with FEMA. (Nisqually Earthquake Account-State/Federal)

### **All-Hazards Program Management**

EMD is responsible for the management of several state and federal grants which provide funding to develop, implement, and sustain all-hazards emergency management preparedness, response, recovery, and mitigation capabilities for state and local jurisdictions. The division provides direct oversight of program deliverables in all hazards, including both natural and technological hazard areas. Programs include the Emergency Management Performance Grant, Earthquake/Volcano, Fire Mobilization, Terrorism/Homeland Security, Hazardous Material/State Emergency Response Committee, Chemical Stockpile Emergency Preparedness, United States Department of Energy Columbia Generating Station (Nuclear Plant), and Search and Rescue. (General Fund-State, General Fund-Federal, Worker and Community Right To Know Account)

### **Disaster Preparedness Public Education**

The Public Education Program educates residents, local jurisdictions, state agencies, schools, and the private sector on emergency and disaster preparedness. The program includes informational materials, publications, presentations, and training to assist citizens in preparing for emergencies and disasters, thereby saving lives, minimizing property damage, and reducing the impact on the environment and economy. (General Fund-State, General Fund-Federal, Worker and Community Right To Know Account)

### **Public Emergency Information System**

During emergencies and life-threatening events, EMD's public information activity provides critical information to help the public avoid death, injury, and loss of property from all types of hazards. EMD's extensive public information planning and staff training enables it to work with local, state, and federal agencies to provide accurate and timely emergency information to the public. EMD performs key public information functions in the emergency response plans for the Umatilla Chemical Depot, the Hanford Site, the Columbia Generating Station nuclear power plant, and other technological hazards. EMD also carries out public information requirements of the state's continuity of government plan. (General Fund-State, General Fund-Federal)

### **Real Property Management**

The Military Department has an extensive inventory of Army, Air National Guard, and EMD facilities which require real property management. The Real Property section provides technical support to the Adjutant General and his designees in developing and managing sound real estate policy for the land and facilities used by the agency. Areas of expertise include leases, licenses, permits, easements, and other legal documents. Many facilities are also used by local school districts, youth groups, law enforcement, and public safety organizations, as well as the Red Cross, food banks, and charities for a nominal fee which covers the increased utility, maintenance and operational costs. Rental agreements are managed by this unit. (General Fund-Private/Local)

Rental fees are increased to fully support this function, shifting \$133,000 from General Fund-State to General Fund-Private/Local.

## GOVERNMENTAL OPERATIONS

### Security Services

The Security Program provides security to facilities, property, equipment, and persons within the Military Department's control through the use of security staff, locking systems, and electronic technology. Staff uses electronic alarms, locking systems, and closed circuit television monitors to assist in providing surveillance to augment security staff presence for staffed and controlled sites, including vaults, readiness centers, and safes throughout the state. Security staff is also responsible for controlling access to Military Department facilities through the use of identification cards and vehicle decals. (General Fund-State, General Fund-Federal)

### Homeland Security

The Washington State Military Department has been designated the point of contact for federal homeland security issues. Federal agencies are anticipated to award grants of up to \$75 million to Washington State. Upon receipt of federal funds, federal funding authority is provided to the Department for the following purposes: \$56.3 million for local jurisdictions; \$15.7 million for the Washington State Patrol for ferry security, ports of entry inspections, portable radio replacements, and an inter-operable communications system; \$500,000 to the Office of Financial Management for the Citizen Corps and the Community Emergency Response Teams; and \$315,000 for the Military Department for terrorism consequence management. Administration costs are limited to 3 percent of available funds. State funds are provided to the Department to match federal funding for administrative costs. Recipients of federal funds must provide required match. (General Fund-State, General Fund-Federal)

### Vehicle and Equipment Maintenance

The Military Department attends to the care, preservation, operation, safekeeping, and repair of vehicles belonging to the state, or issued to the state by the federal government. (General Fund-State)

This activity has been eliminated.

### Washington State Emergency Management Council

EMD provides administrative and coordination support to the Emergency Management Council (EMC). EMD coordinates and supports all committees and work groups the council appoints and charges to develop specific recommendations for the improvement of emergency management practices, standards, policies, and procedures. Through these committees and work groups, EMC assesses hazards, vulnerabilities, threats, and the status of local and state preparedness. EMC provides the Governor an annual assessment of statewide preparedness, including hazard mitigation, seismic safety improvements, flood hazards reduction, and hazardous materials planning and response activities. (General Fund-State)

This activity has been eliminated.

### Washington State Guard

The Washington State Guard (WSG) is composed primarily of retired members of the Washington Army and Air National Guards whose extensive experience and expertise provide an invaluable resource to the Adjutant General to meet essential mission requirements when the regular units and personnel of the Army and Air Guard are mobilized and deployed for federal active duty. Currently, the WSG consists of commissioned and non-commissioned officers, for a total of 55 members. Members meet monthly, in a non-pay status. The commanding officer, a retired commissioned officer, holds the rank of brigadier general and reports directly to the Adjutant General. Funding is for a uniform allowance for members. (General Fund-State)

This activity has been eliminated.

### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

**Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

Agency 275

**Public Employment Relations Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	25.2	4,646		4,646
<b>Total Maintenance Level</b>	41.6	6,919	535	7,454
Difference	16.4	2,273	535	2,808
Percent Change from Current Biennium	65.1%	48.9%	100.0%	60.4%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(41.6)	(6,919)	(535)	(7,454)
Marine Labor Relations #	2.3		340	340
Dispute Resolution of Public Employer Labor Disputes	41.6	4,760	2,630	7,390
Employee-related and Internal Service Cost Adjustments		95	11	106
Staff Reductions and Operating Efficiencies	(.2)	(10)	(89)	(99)
<b>Subtotal</b>	2.1	(2,074)	2,357	283
<b>Total Proposed Budget</b>	43.7	4,845	2,892	7,737
Difference	18.5	199	2,892	3,091
Percent Change from Current Biennium	73.4%	4.3%	100.0%	66.5%

**Marine Labor Relations #**

The Marine Employees' Commission resolves disputes between Washington State Ferry System management and the 13 unions representing state ferry workers to ensure the continuous operation of the state's ferries. (Puget Sound Ferry Operations Account)

The Marine Employees' Commission is transferred to the Public Employment Relations Commission (PERC).

**Dispute Resolution of Public Employer Labor Disputes**

The mission of the Public Employment Relations Commission (PERC) is to prevent or minimize disruptions of public services by the uniform, impartial, efficient, and expert resolution of labor-management disputes. PERC has jurisdiction over all local government units and their employees (including school districts and their certificated employees), state government units and their employees transitioning to full-scope bargaining rights, college faculty, home care employees, students who are research or teaching assistants at the University of Washington, and private employers and employees (upon their joint request). PERC provides mediation and interest arbitration for contract negotiation disputes, provides training on interest-based bargaining techniques, certifies and clarifies bargaining units, decides unfair labor practice and non-association claims, and provides arbitration for contract interpretation disputes. (General Fund-State, Department of Personnel Service Account)

It was anticipated that the estimated workload increases relating to the civil service reform legislation would be funded by the General Fund-State. Funding is transferred to the Department of Personnel Service Account for this activity. The Department of Personnel will add these costs to the amount billed to all agencies. The amount of this technical adjustment is \$2,099,000. (General Fund-State, Department of Personnel Service Account)



**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 476

**Growth Management Hearings Office****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	12.0	3,008		3,008
<b>Total Maintenance Level</b>	12.0	3,219		3,219
Difference		211		211
Percent Change from Current Biennium	0.0%	7.0%		7.0%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(12.0)	(3,219)		(3,219)
Environmental Dispute Resolution	12.0	3,227		3,227
Employee-related and Internal Service Cost Adjustments		39		39
Staff Reductions and Operating Efficiencies		(22)		(22)
<b>Subtotal</b>		25		25
<b>Total Proposed Budget</b>	12.0	3,244		3,244
Difference		236		236
Percent Change from Current Biennium	0.0%	7.8%		7.8%

**Environmental Dispute Resolution**

The state Growth Management Act of 1992 requires state and local governments to manage the state's growth by preparing comprehensive plans and implementing them through capital investments, land use, and natural resource regulations. The purpose of the three Growth Management Hearing Boards is to resolve environmental disputes that arise from implementing components of this law.

The number of reviews is anticipated to increase due to the requirement for updated plans from each jurisdiction. Funding in the amount of \$32,000 is provided for increased temporary clerical services at the Western Board to accommodate scheduled absences.

Six of the nine current board members will be newly appointed in the 2003-05 Biennium. One-time funding of \$15,000 is provided for new members to attend the Administrative Law Fair Hearings Course at the National Judicial College.

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 550

## State Convention and Trade Center

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	155.0		67,734	67,734
<b>Total Maintenance Level</b>	155.0		71,349	71,349
Difference			3,615	3,615
Percent Change from Current Biennium	0.0%		5.3%	5.3%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(155.0)		(71,349)	(71,349)
Convention and Trade Shows	155.0		40,609	40,609
Convention Center Construction Payments			31,037	31,037
Employee-related and Internal Service Cost Adjustments			40	40
Staff Reductions and Operating Efficiencies	(1.8)		(68)	(68)
<b>Subtotal</b>	(1.8)		269	269
<b>Total Proposed Budget</b>	153.3		71,618	71,618
Difference	(1.8)		3,884	3,884
Percent Change from Current Biennium	(1.1)%		5.7%	5.7%

#### Convention and Trade Shows

The Washington State Convention and Trade Center promotes tourism and generates revenue by hosting national, international, and regional conventions and trade shows. In Fiscal Year 2001, out-of-state delegates attending conventions and trade shows spent \$169.7 million in the local economy. (State Convention and Trade Center Operations Account)

#### Convention Center Construction Payments

The Washington State Convention and Trade Center financed the construction and maintenance of the building.

This activity is used to service the debt. (State Convention and Trade Center Account)

Funding of \$525,000 is provided for maintenance of the building in the 2003-05 Biennium, including replacement and restoration of worn wall coverings, portable chairs, slate, steam traps, and the air system.

#### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

## Department of Gaming

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2003-05 Expenditure Authority</b>				
<b>Performance Changes (Activities)</b>				
Regulation of Horse Racing	27.0		4,340	4,340
Gambling Licensing	39.4		5,811	5,811
Criminal Intelligence Investigation	99.4		16,045	16,045
Tribal-State Negotiation and Regulation	38.5		6,113	6,113
Employee-related and Internal Service Cost				
Adjustments			250	250
Staff Reductions and Operating Efficiencies	(3.0)		(96)	(96)
<b>Subtotal</b>	<b>201.4</b>		<b>32,463</b>	<b>32,463</b>
<b>Total Proposed Budget</b>	<b>201.4</b>		<b>32,463</b>	<b>32,463</b>
Difference	201.4		32,463	32,463
Percent Change from Current Biennium	100.0%		100.0%	100.0%

#### Regulation of Horse Racing

The Department licenses, regulates, and supervises pari-mutuel horse racing. A primary responsibility of the Department is the encouragement of training and development of the equine industry in Washington. Department goals are to foster a regulatory environment that promotes the economic benefits derived from the equine industry and ensure public confidence in the integrity of pari-mutuel racing. (Horse Racing Commission Account-State)

This activity has been transferred from the Horse Racing Commission.

#### Gambling Licensing

The Department is statutorily charged with the power to enforce the provisions of the Gambling Act of 1973 and all laws related to gambling. The legislative policy declares the intent to keep the criminal element out of gambling, promote social welfare through strict regulation and control, and that raising funds for the promotion of nonprofit and charitable organizations is in the public interest. The Department carries out this responsibility through a system of regulation and enforcement consisting of several inter-related activities. The Department requires that individuals and businesses apply for and obtain a license before engaging in gambling activity. The application and approval process includes an extensive investigation process, which traces the source of funds and identifies criminal record to prevent criminal interests from gaining a foothold in Washington gambling businesses and to protect the public from being victimized through cheating or embezzlement. The licensing process is required by statute to generate the funds necessary to cover all costs of licensing and enforcement. (Gambling Revolving Account-Nonappropriated)

This activity has been transferred from the Washington State Gambling Commission.

**Criminal Intelligence Investigation**

The Department uses a combination of undercover and overt investigations to identify and seek prosecution of illegal gambling activities, cheating, theft, and racketeering. These investigations seek to identify those individuals or interests that pose a threat to public safety and honest gambling. (Gambling Revolving Account-Nonappropriated)

This activity has been transferred from the Washington State Gambling Commission.

**Tribal-State Negotiation and Regulation**

Federal law requires the state to negotiate in good faith with Indian tribes to provide these sovereign nations the opportunity to engage in casino-type gambling activities in the state of Washington. The tribes are only allowed to engage in these activities through a compact with the state. The Department has been delegated the responsibility to negotiate these compacts and jointly regulate these activities with the tribes. The primary purpose of the state's involvement is public protection and ensuring legal and honest gambling activities. (Gambling Revolving Account-Nonappropriated)

This activity has been transferred from the Washington State Gambling Commission.

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)



Agency 300

## Department of Social and Health Services

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	18,067.7	6,177,570	9,322,908	15,500,478
<b>Total Maintenance Level</b>	18,076.2	6,918,511	9,426,028	16,344,539
Difference	8.6	740,941	103,120	844,061
Percent Change from Current Biennium	0.0%	12.0%	1.1%	5.4%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(18,076.2)	(6,918,511)	(9,426,028)	(16,344,539)
Children's Block Grant	100.9	18,523	40,306	58,829
Collection of Legal Financial Obligations	16.0	3,000		3,000
Consolidated Drug Purchasing		(22,714)	(21,736)	(44,450)
Administrative Services Division	130.5	12,358	9,818	22,176
Adoption Medical		10,523	10,523	21,046
Adoption Services and Support		54,171	41,891	96,062
Adult Day Health Program		14,299	13,171	27,470
Adult Family Homes		47,292	45,120	92,412
Adult Residential Care		16,960	15,270	32,230
Special Projects and Unique Programs Grants	2.0	388		388
Alcohol and Substance Abuse	40.3	5,149	7,438	12,587
Alternate Response System (ARS)#				
Assisted Living Services		56,990	56,988	113,978
Title IV-E State and Federal Switch		(10,000)	10,000	
Client Eligibility Systems (ACES)	42.2	22,842	24,523	47,365
Local Truancy Petitions			6,092	6,092
Behavioral Rehabilitative Services (BRS)		92,794	47,621	140,415
Budget Divisions	28.0	2,403	1,932	4,335
Child Protective Services (CPS)	537.6	24,067	33,957	58,024
Child Support Enforcement Collections		(75,000)	(75,542)	(150,542)
Child Support Field Operations	1,099.1	14,739	122,793	137,532
Child Support Program - Central Field Operations	157.7	31,837	77,528	109,365
Child Welfare Services (CWS)	557.9	24,847	35,056	59,903
Civil Commitment-Sexual Predators	320.0	49,792		49,792
Community Residential Services for Juvenile Offenders	92.5	9,855	8,116	17,971
Community-Based Grant Programs	4.0	2,239	18,591	20,830
Consolidated Emergency Assistance (CEAP)		536		536
County Contracted Services - Pre-Commitment		14,019	123	14,142
County Contracted Services - Chemical Dependency Disposition Alternative	1.0	2,483	2,952	5,435
County Contracted Services - Reduce Recidivism of Juvenile Offenders	2.0	2,413	5,443	7,856
County Contracted Services - Special Sex Offender Disposition Alternative		3,862	1,622	5,484
County Managed Services	22.6	22,609	94,555	117,164
Crisis Residential Center (CRC) #				
Home and Community Services - Field	593.9	41,813	39,341	81,154
Diversion Cash Assistance		14,998		14,998
Division of Access and Equal Opportunity	17.8	1,513	1,214	2,727

## HUMAN SERVICES - DSHS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Division of Child Support: Management and Administration	54.1	3,323	8,319	11,642
Division of Children and Family Services (DCFS)	857.1	57,983	82,451	140,434
Division of Fraud Investigations	63.4	4,097	3,836	7,933
Division of Licensed Resources	152.3	10,663	8,174	18,837
Employment and Day Programs		65,481	30,328	95,809
Employment Support Services: Refugees			13,198	13,198
Executive Division	24.9	2,518	2,029	4,547
Family Foster Home (FFH) Care		113,525	48,886	162,411
Family Policy Council #				
Family Reconciliation Services (FRS) #				
Family Support Program for Developmentally Disabled Clients		26,871	2,885	29,756
Family Support Services		26,070	25,358	51,428
Field Services for Developmentally Disabled Clients	456.1	37,266	26,961	64,227
Finance Division	197.4	16,924	17,567	34,491
General Administrative Functions	147.6	16,116	15,222	31,338
General Assistance - Interim SSI (GA-U/X) #		61,342		61,342
Hope Center #				
Human Resources Division	83.3	6,854	5,472	12,326
Immigrants State Food Assistance		7,880		7,880
Information System Services Division (ISSD)	157.1			
In-Home Services		314,973	316,349	631,322
Inspections of Nursing and Boarding Homes	292.4	1,440	44,903	46,343
Juvenile Rehabilitation Facilities	878.8	89,108	16,010	105,118
Juvenile Rehabilitation Administration and Technical Support	37.6	4,267	1,442	5,709
Transportation of Youth in Juvenile Rehabilitation	8.4	1,263		1,263
Lands and Buildings Division	13.6	892	718	1,610
Legislative Relations	18.8	1,416	1,139	2,555
Medicaid Treatment Child Care (MTCC)		7,484	5,940	13,424
Adult Protective Service	104.3	9,522	5,127	14,649
Mental Health Community Services		409,032	369,734	778,766
Mental Health Facilities Services	2,657.2	187,738	158,308	346,046
Nursing Homes		467,020	462,157	929,177
Office of Deaf and Hard of Hearing	2.0		1,782	1,782
Other Aging and Adult Services		7,034	7,616	14,650
Other Client Services		11,043	4,579	15,622
Other Programs: Developmentally Disabled Clients		4,043	2,126	6,169
Other Foster Care		15,113	6,273	21,386
PACE		4,678	4,677	9,355
Payment to Other Agencies		81,636	26,230	107,866
Personal Care - Developmentally Disabled Clients		132,711	134,210	266,921
Prevention Services	7.0	2,766	17,872	20,638
Professional Services - Developmentally Disabled Clients		5,518	4,576	10,094
Program Support-Childrens Administration	111.9	13,118	14,825	27,943
Program Support - Economic Services Administration	3,313.5	261,231	220,079	481,310
Program Support - Mental Health	58.7	7,475	6,874	14,349
Program Support - Developmental Disabilities	48.2	3,991	2,633	6,624
Public Health Nurses		2,159	1,423	3,582
Recoveries		(16,902)	(17,220)	(34,122)



HUMAN SERVICES - DSHS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Refugee Assistance Income			4,646	4,646
Regional Services for Juvenile Offenders	170.0	26,371	4,394	30,765
Research and Data Analysis Division	23.5	2,234	1,798	4,032
Residential and Sheltered Services	13.0	28,406	40,256	68,662
Residential Habilitation Facilities -				
Developmentally Disabled Clients	2,630.6	139,682	153,092	292,774
Residential Program - Developmentally Disabled				
Clients		211,310	197,461	408,771
Responsible Living Skills (RLSP)		2,094	86	2,180
Secure Community Transition Facility - (SCTF)	35.5	4,919		4,919
Secure Crisis Residential Center #				
Services to Aging		60,841	87,711	148,552
Special Commitment Off Island (Least Restrictive				
Alternatives)	18.3	5,319		5,319
Special Projects-Aging and Adult Services	2.0	954	4,128	5,082
Special Projects - Children's #				
Special Projects - Mental Health #	5.7		2,082	2,082
Special Projects: Developmental Disabilities	9.0		12,000	12,000
SOLA: Developmentally Disabled Clients	224.8	10,724	10,651	21,375
Street Youth Services#				
Supplemental Security Income Payments		10,323		10,323
Support Services for Clients	18.1	8,588	2,873	11,461
Temporary Assistance to Needy Families (TANF)		309,654	243,087	552,741
Income Assistance: Repatriated U.S. Citizens			120	120
Victim Assistance#				
Vocational Rehabilitation	337.1	21,747	86,025	107,772
Voluntary Placement Program	25.5	30,590	26,729	57,319
Washington Council for the Prevention of Child				
Abuse and Neglect#				
Workfirst Employment and Training		6,934	236,512	243,446
Working Connections Child Care Program		105,420	588,528	693,948
Medically Indigent Program				
Optional Health Benefits: Dental, Vision, Hearing				
Optional Healthcare for Workers with Disability				
SCHIP	1.2		28,971	28,971
Optional Medicaid Services for Children	18.5		511,280	511,280
Special Programs	20.6	16,670	280,874	297,544
Disproportionate Share Hospital/Proshare		32,000	575,287	607,287
Medicaid Program for Aged, Blind and Disabled	9.2	132,779	157,845	290,624
Medical Care for General Assistance Unemployable				
and ADATSA	2.2		218,877	218,877
Mandatory Medicaid Program for Children and				
Families	931.3	2,301,351	2,974,486	5,275,837
HIPAA Standard Transactions	19.7	3,636	11,932	15,568
Employee-related and Internal Service Cost				
Adjustments		28,160	13,001	41,161
Staff Reductions and Operating Efficiencies	(513.2)	(19,880)	(5,684)	(25,564)
Self-Insurance Premiums			16,196	16,196
<b>Subtotal</b>	<b>(562.1)</b>	<b>(439,403)</b>	<b>(155,010)</b>	<b>(594,413)</b>
<b>Total Proposed Budget</b>	<b>17,514.1</b>	<b>6,479,108</b>	<b>9,271,018</b>	<b>15,750,126</b>
Difference	(553.6)	301,538	(51,890)	249,648
Percent Change from Current Biennium	(3.1)%	4.9%	(0.6)%	1.6%

Program 010

**DSHS - Children's Administration****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	2,292.8	465,657	381,143	846,800
<b>Total Maintenance Level</b>	2,378.9	533,985	408,947	942,932
Difference	86.1	68,328	27,804	96,132
Percent Change from Current Biennium	3.8%	14.7%	7.3%	11.4%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(2,378.9)	(533,985)	(408,947)	(942,932)
Children's Block Grant	100.9	18,523	40,306	58,829
Adoption Medical		10,523	10,523	21,046
Adoption Services and Support		54,171	41,891	96,062
Alternate Response System (ARS)#				
Title IV-E State and Federal Switch		(10,000)	10,000	
Behavioral Rehabilitative Services (BRS)		92,794	47,621	140,415
Child Protective Services (CPS)	537.6	24,067	33,957	58,024
Child Welfare Services (CWS)	557.9	24,847	35,056	59,903
Crisis Residential Center (CRC) #				
Division of Children and Family Services (DCFS)	857.1	57,983	82,451	140,434
Division of Licensed Resources	152.3	10,663	8,174	18,837
Family Foster Home (FFH) Care		113,525	48,886	162,411
Family Policy Council #				
Family Reconciliation Services (FRS) #				
Family Support Services		26,070	25,358	51,428
Hope Center #				
Medicaid Treatment Child Care (MTCC)		7,484	5,940	13,424
Other Foster Care		15,113	6,273	21,386
Program Support-Childrens Administration	111.9	13,118	14,825	27,943
Public Health Nurses		2,159	1,423	3,582
Responsible Living Skills (RLSP)		2,094	86	2,180
Secure Crisis Residential Center #				
Special Projects - Children's #				
Street Youth Services#				
Victim Assistance#				
Employee-related and Internal Service Cost				
Adjustments		3,925	1,691	5,616
Staff Reductions and Operating Efficiencies	(60.0)	(2,118)	(634)	(2,752)
<b>Subtotal</b>	(121.2)	(69,044)	4,880	(64,164)
<b>Total Proposed Budget</b>	2,257.7	464,941	413,827	878,768
Difference	(35.1)	(716)	32,684	31,968
Percent Change from Current Biennium	(1.5)%	(0.2)%	8.6%	3.8%

**Children's Block Grant**

The new Children's Block Grant combines project funding to provide flexibility for the Children's Administration to carry out preventative interventions and special projects. The Children's Administration may or may not choose to fund the activities that were combined and reduced in total by one-third from current levels to make up this grant. Those activities are: Alternate Response System, Family Reconciliation Services, the Hope Center, Children's Special Projects, the Street Youth, and the Victims Assistance programs. (General Fund-State, General Fund-Federal)

**Adoption Medical**

Adoption Medical provides medical services to eligible adopted children through the State's Medicaid program. (General Fund-State, General Fund-Federal)

**Adoption Services and Support**

The Adoption Services and Adoption Support Program provides permanent placement and support for children and youth in foster care who are legally free, meaning parental rights have been either voluntarily relinquished or terminated due to abuse, neglect, or abandonment issues. Adoption Support may provide help with legal assistance, fees for adoption, ongoing monthly maintenance for adopted children with special needs, counseling reimbursements, and training opportunities. (General Fund-State, General Fund-Federal)

The reduction of \$12 million General Fund-State from the forecasted level represents not funding state-only exceptional adoption maintenance payments. These payments were made available so parents adopting from foster care could get the same level of maintenance payment caring for an adopted child as they did caring for the same child in foster care. It is assumed that the Children's Administration can control costs in this program by negotiating lower adoption support payments with new adoptive parents, because all new adoptive parents will receive a \$10,000 tax credit beginning January 2003.

**Alternate Response System (ARS)#**

Alternate Response System (ARS) services consist of a number of contracted programs throughout the state provided by public health nurses or other social service agencies that handle moderately low and low-risk Child Protective Services (CPS) referrals. The intent of ARS is to furnish preventive interventions, thereby reducing risk of child abuse and neglect and re-referrals to CPS for the families involved. A high proportion of these low-risk referrals involve neglect issues. (General Fund-State, General Fund-Federal)

This activity is assumed in the Children's Block Grant and its level of funding will be determined by the Children's Administration.

**Title IV-E State and Federal Switch**

Due to increased access to data, the Children's Administration is better able to identify all children in out-of-home care who are eligible for Title IV-E and, therefore, refine the ratio used to allocate administrative expenses related to the foster care and adoption support program. (General Fund-State, General Fund-Federal)

**Behavioral Rehabilitative Services (BRS)**

Behavioral Rehabilitative Services (BRS) contracts with community agencies for rehabilitation services for children and youth with serious emotional, behavioral, or medical difficulties, who cannot be adequately served in family foster care. BRS provides a higher level of care and treatment for children and youth with the most severe needs. (General Fund-State, General Fund-Federal)

Rate increases for the foster care and youth behavioral rehabilitative services that were forecasted to increase by 6.4 percent is reduced by \$17.8 million General Fund-State to reflect a 2.5 percent increase.

**Child Protective Services (CPS)**

Child Protective Services (CPS) provides 24-hour, seven-day-a-week intake, screening, and investigative services for reports of suspected child abuse and neglect. CPS investigates appropriate referrals to assess the safety and protection needs of children and, when necessary, intervenes by providing services designed to improve the safety of children and protect them from further harm. (General Fund-State, General Fund-Federal)

#### **Child Welfare Services (CWS)**

Child Welfare Services (CWS) provides both permanency planning and intensive treatment services to children and families who may need help with chronic problems, such as ongoing abuse and neglect or intensive medical needs. CWS is provided to children and families when long-term services are needed, beyond those available through Child Protective Services (CPS) or Family Reconciliation Services (FRS). Most children served in this program are dependents of the state or are legally free for adoption. (General Fund-State, General Fund-Federal)

#### **Crisis Residential Center (CRC) #**

Crisis Residential Center (CRC) services provide temporary and safe housing for children who run away from home or are in severe conflict with their parents. Stays range from four hours to five days. CRCs provide on-site counseling for children and parents with an emphasis on family reunification, unless it is not safe for the child to return to the family home. (General Fund-State)

This activity is eliminated.

#### **Division of Children and Family Services (DCFS)**

The Division of Children and Family Services (DCFS) supports the operational and direct service functions of staff who deliver services for child protection, family reconciliation, and child welfare. (General Fund-State, General Fund-Federal)

The reduction in this activity assumes that \$11.7 million General Fund-State and 172.0 FTE staff years are administrative in nature, and this administrative portion assumes a 4 percent reduction.

#### **Division of Licensed Resources**

The Division of Licensed Resources (DLR) is responsible for licensing and monitoring family foster and group homes, training and support of foster parents, and the investigation of complaints concerning the health and safety of children and the quality of care provided in foster care facilities. (General Fund-State, General Fund-Federal)

This activity includes \$1.4 million and 8 FTE staff years for the Foster Parent Training Initiative, in response to the Braams lawsuit.

#### **Family Foster Home (FFH) Care**

Family Foster Home (FFH) Care provides 24-hour care to children of all ages who need temporary out-of-home placement due to child abuse, neglect, or family conflict. Care in a FFH is a short-term solution to an emergent situation. The goal is to return each child to their home, or to find another permanent home as early as possible. FFH services are also available with licensed foster parents through community child placing agencies. (General Fund-State, General Fund-Federal)

#### **Family Policy Council #**

The Family Policy Council is responsible for developing a community-based, comprehensive plan for prevention of selected problem behaviors, based on data, community input, and the risk and protective factor analysis. The council's intent is to form and continue local outcome-oriented prevention and provide early intervention services for children and families to slow the dramatic increase in crime committed by youth. (General Fund-State, General Fund-Federal)

This activity is eliminated.

**Family Reconciliation Services (FRS) #**

Family Reconciliation Services (FRS) are voluntary services devoted to maintaining the family as a unit and preventing the out-of-home placement of adolescents. FRS is available to families 24 hours a day, seven days per week. Families requesting FRS are offered Phase I (intake and assessment) by an FRS social worker within hours of their request. Families who need further intervention are referred for Phase II, in-home crisis counseling. Phase II services are contracted, provided from the Family Support Services budget and available for up to 15 hours within a 30-day period. (General Fund-State, General Fund-Federal)

This activity is assumed in the Children's Block Grant and its level of funding will be determined by the Children's Administration.

**Family Support Services**

Family Support Services are offered to assist children and families who are in crisis and at risk of disruption. Family Support Services provide early intervention intended to help families prevent abuse and neglect, prevent out-of-home placement, and promote the healthy development of children and youth. Activities include Family Preservation Services, Family Reconciliation Services, Continuum of Care, Home-Based Services, and Child Protective/Child Welfare Services Child Care. (General Fund-State, General Fund-Federal)

**Hope Center #**

The Hope Center Program has 75 beds statewide that provide temporary and safe housing for older adolescents while a permanent placement plan is developed. The goal of the Hope Center Program is to get youth off the streets, reunite them with their parents, and refer them to resources in the community that can help them return to a traditional family life. (General Fund-State)

This activity is assumed in the Children's Block Grant and its level of funding will be determined by the Children's Administration.

**Medicaid Treatment Child Care (MTCC)**

Medicaid Treatment Child Care (MTCC), formerly called Therapeutic Child Development, provides families with young children at serious risk of abuse or neglect with intensive child development services and interventions to promote parenting skills. Contracted child care providers deliver services to children for at least four hours each day. Additional services and support are provided to families through home visits, parent education, and parent support groups. MTCC services are available to families served through Child Protective or Child Welfare Services, and for parents participating in certified Division of Alcohol and Substance Abuse treatment programs. (General Fund-State, General Fund-Federal)

**Other Foster Care**

Other Foster Care Services includes Receiving Home Care, Foster Care Client Support Services, Miscellaneous Foster Care, and out-of-home placement recoveries. (General Fund-State, General Fund-Federal)

**Program Support-Childrens Administration**

Program Support represents the administrative and operational functions necessary to fulfill the goals of protecting children and strengthening families for the divisions of Children and Family Services and Licensed Resources. This program includes headquarters, personnel, policy development, fiscal planning, information services, legislative and regional coordination, and related costs. (General Fund-State, General Fund-Federal)

The reduction to this activity assumes that \$13,650 and 116.6 FTE staff years are administrative in nature, and this administrative portion assumes a 4 percent reduction.

**Public Health Nurses**

Public Health Nurses, also known as the Early Intervention Program, is a voluntary, in-home nursing service which can prevent the need for more intrusive Division of Children and Family Services interventions. This program is generally used to respond to neglect. (General Fund-State, General Fund-Federal)

### **Responsible Living Skills (RLSP)**

The Responsible Living Skills Program (RLSP) provides residential placement and transitional living services for 16 and 17-year-old youth whose other foster care placements have not been successful. RLSP provides permanent and safe housing for these youth, and offers life skills services critical for independent living when they reach age 18. (General Fund-State, General Fund-Federal)

### **Secure Crisis Residential Center #**

Secure Crisis Residential Center (SCRC) services provide 24-hour availability, with 66 beds statewide, for short-term placements of up to five days for runaways placed by law enforcement. SCRCs have locked doors and windows, and fenced grounds, but otherwise operate as other CRCs, with an emphasis on assessment of needs and family reunification. (General Fund-State)

This activity is eliminated.

### **Special Projects - Children's #**

Special Projects within the Children's Administration Program include National Center on Child Abuse and Neglect grants, Indian Child Welfare contracts, the Independent Living grant, and Pediatric Interim Care for medically fragile infants. (General Fund-State, General Fund-Federal)

This activity is assumed in the Children's Block Grant and its level of funding will be determined by the Children's Administration.

### **Street Youth Services#**

Street Youth Services are intended to help children who are not appropriately served through traditional methods of counseling. These children are living away from their homes and may be chemically dependent and/or actively involved in prostitution or delinquent behaviors. Services are aimed at getting youth off the streets and are available for youth actively engaged in street activities, as well as those ready to leave the streets. (General Fund-State, General Fund-Federal)

This activity is assumed in the Children's Block Grant and its level of funding will be determined by the Children's Administration.

### **Victim Assistance#**

The Victim Assistance Program provides support for community-based shelters, emergency counseling, and legal advocacy to children and families who have experienced domestic violence and sexual assault. A statewide, toll-free hotline is available to link victims with services in their community. Special programs are also offered for sexually aggressive youth. (General Fund-State, General Fund-Federal)

This activity is assumed in the Children's Block Grant and its level of funding will be determined by the Children's Administration.

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program 020

**DSHS - Juvenile Rehabilitation****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,223.6	165,644	68,595	234,239
<b>Total Maintenance Level</b>	1,194.3	164,050	66,502	230,552
Difference	(29.3)	(1,594)	(2,093)	(3,687)
Percent Change from Current Biennium	(2.4)%	(1.0)%	(3.1)%	(1.6)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,194.3)	(164,050)	(66,502)	(230,552)
Local Truancy Petitions			6,092	6,092
Community Residential Services for Juvenile Offenders	92.5	9,855	8,116	17,971
Community-Based Grant Programs	4.0	2,239	18,591	20,830
County Contracted Services - Pre-Commitment		14,019	123	14,142
County Contracted Services - Chemical Dependency Disposition Alternative	1.0	2,483	2,952	5,435
County Contracted Services - Reduce Recidivism of Juvenile Offenders	2.0	2,413	5,443	7,856
County Contracted Services - Special Sex Offender Disposition Alternative		3,862	1,622	5,484
Juvenile Rehabilitation Facilities	878.8	89,108	16,010	105,118
Juvenile Rehabilitation Administration and Technical Support	37.6	4,267	1,442	5,709
Transportation of Youth in Juvenile Rehabilitation	8.4	1,263		1,263
Regional Services for Juvenile Offenders	170.0	26,371	4,394	30,765
Employee-related and Internal Service Cost Adjustments		2,739	216	2,955
Staff Reductions and Operating Efficiencies	(30.6)	(1,382)	(18)	(1,400)
<b>Subtotal</b>	(30.6)	(6,813)	(1,519)	(8,332)
<b>Total Proposed Budget</b>	1,163.7	157,237	64,983	222,220
Difference	(59.9)	(8,407)	(3,612)	(12,019)
Percent Change from Current Biennium	(4.9)%	(5.1)%	(5.3)%	(5.1)%

**Local Truancy Petitions**

This activity covers the costs for processing CHINS (Child in Need of Services) and Youth At-Risk petitions within the county juvenile courts. These petitions or court actions target youth who are in conflict with their parents, have run away, or have had extended absences from school. Funding is provided for judges, attorneys, and other costs related to these court processes. (Public Safety and Education Account)

The proposal eliminates \$7.1 in million funding and the mandatory requirement for truancy petitions. The petitions will remain a school district/juvenile court responsibility. School districts will still have the option to file a petition, at their discretion.

### **Community Residential Services for Juvenile Offenders**

Community Residential Services for Juvenile Offenders includes state-operated and contracted community facilities for up to 200 adjudicated youth who are transitioning back to the community. Specific services include 24-hour supervision, individual and group counseling, transition services, drug and alcohol education, education and/or vocational training, skills training, anger management, and other intervention programs based on need. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Violence Reduction and Drug Enforcement Account)

### **Community-Based Grant Programs**

This activity involves community-based state and federal grant programs designed to prevent juvenile violence. Also included are local programs funded by the Juvenile Accountability Incentive Block Grant which promotes greater individual accountability within the juvenile justice system. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account, Juvenile Accountability Incentive Account-Federal)

### **County Contracted Services - Pre-Commitment**

These pre-commitment services include diversion, probation supervision, individual and family counseling, drug/alcohol assessment and treatment, alternative education, vocational training, and psychiatric and psychological services. At-risk youth programs exist in all juvenile court jurisdictions, representing 39 counties. (General Fund-State, Violence Reduction and Drug Enforcement Account)

### **County Contracted Services - Chemical Dependency Disposition Alternative**

The Chemical Dependency Disposition Alternative (CDDA) Program provides courts with a sentencing option for approximately 375 chemically dependent youth, allowing judges to order youth into supervised treatment. Both locally-sanctioned youth and certain youth who would otherwise be committed to the Juvenile Rehabilitation Administration (JRA) are eligible for CDDA. Juvenile courts, local treatment agencies, and inpatient treatment providers have established programs specific to the needs of these youthful offenders and their families. Local CDDA programs are required to use a standardized assessment process, be consistent with elements proven effective by research, include family service components, and provide intensive case management. (General Fund-State, Violence Reduction and Drug Enforcement Account)

### **County Contracted Services - Reduce Recidivism of Juvenile Offenders**

The Community Juvenile Accountability Act (CJAA) funds programs on a statewide basis which are evidenced-based to reduce recidivism of juvenile offenders. CJAA programs target youth on county probation who are moderate- to high-risk for re-offending. All juvenile court jurisdictions representing 39 counties have implemented CJAA interventions. (General Fund-State, Violence Reduction and Drug Enforcement Account, Juvenile Accountability Incentive Account-Federal)

### **County Contracted Services - Special Sex Offender Disposition Alternative**

The Special Sex Offender Disposition Alternative (SSODA) Program for certain first-time sex offenders allows the court to suspend the sentence of an adjudicated offender and instead, order at least 24 months of community supervision and require the youth to receive treatment in the community from a certified sex offender treatment provider. Should an offender fail to meet the treatment, supervision, and monitoring terms of the SSODA agreement, the court may revoke the suspended disposition and commit the youth to the JRA to serve the standard range sentence. The SSODA Program serves approximately 300 youth per year. (General Fund-State, Violence Reduction and Drug Enforcement Account)

### **Juvenile Rehabilitation Facilities**

JRA maintains five medium and maximum security residential facilities for up to 800 juveniles committed to custody. JRA also contracts for services with the Camp Outlook basic training camp. Services provided to residents focus on rehabilitation and the preparation of juvenile offenders to live successfully in a community setting after confinement. Specific services include diagnosis, counseling, medical and dental care, academic education, and prevocational training. Specialized treatment is provided to youth with drug/alcohol, sex offender, and mental health problems. (General Fund-State, General Fund-Private/Local, Violence Reduction and Drug Enforcement Account)



**Juvenile Rehabilitation Administration and Technical Support**

This activity represents administrative and technical support for all programs within JRA, including policy development, fiscal planning, information services, and legislative and regional coordination. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account)

**Transportation of Youth in Juvenile Rehabilitation**

The JRA State Transportation Unit is responsible for movement of JRA youth between JRA residential facilities throughout the state, as well as between county juvenile detention facilities. The unit travels over 500,000 miles per year.

**Regional Services for Juvenile Offenders**

JRA coordinates regional services that include state and county contracted diagnostic services for committable offenders, parole and intensive parole services for approximately 1,300 youth per year who have completed their sentences, treatment resources for parolees, skill center grants, and regional administration. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Violence Reduction and Drug Enforcement Account)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program 030

**DSHS - Mental Health****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	3,054.7	598,681	566,497	1,165,178
<b>Total Maintenance Level</b>	3,094.0	688,841	555,953	1,244,794
Difference	39.4	90,160	(10,544)	79,616
Percent Change from Current Biennium	1.3%	15.1%	(1.9)%	6.8%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(3,094.0)	(688,841)	(555,953)	(1,244,794)
Civil Commitment-Sexual Predators	320.0	49,792		49,792
Mental Health Community Services		409,032	369,734	778,766
Mental Health Facilities Services	2,657.2	187,738	158,308	346,046
Program Support - Mental Health	58.7	7,475	6,874	14,349
Secure Community Transition Facility - (SCTF)	35.5	4,919		4,919
Special Commitment Off Island (Least Restrictive Alternatives)	18.3	5,319		5,319
Special Projects - Mental Health #	5.7		2,082	2,082
Employee-related and Internal Service Cost Adjustments		5,425	2,076	7,501
Staff Reductions and Operating Efficiencies	(65.0)	(3,192)	(390)	(3,582)
<b>Subtotal</b>	<b>(63.6)</b>	<b>(22,333)</b>	<b>(17,269)</b>	<b>(39,602)</b>
<b>Total Proposed Budget</b>	<b>3,030.4</b>	<b>666,508</b>	<b>538,684</b>	<b>1,205,192</b>
Difference	(24.3)	67,827	(27,813)	40,014
Percent Change from Current Biennium	(0.8)%	11.3%	(4.9)%	3.4%

**Civil Commitment-Sexual Predators**

The Special Commitment Center (SCC) located on McNeil Island completes evaluations, care and treatment, control, and custody of individuals who have pending petitions for civil commitment or have been civilly committed as sexually violent predators under the law. (General Fund-State)

### **Mental Health Community Services**

Mental Health Community Services provides financial support and program direction for community mental health programs delivered by Regional Support Networks and prepaid health plans. Programs include mental health services that implement the Involuntary Treatment Act, and mandated and optional mental health services for voluntary populations that include the acutely mentally ill, chronically mentally ill, and seriously disturbed of all ages. Services include outpatient, inpatient, acute care, emergency, day treatment, consultation and education, employment services, and Medicaid transportation. Community support services include screening of voluntary referrals to state hospitals; discharge planning with the hospitals; crisis response; case management for chronic clients in the community; and residential programs that supervise, support, treat, and rehabilitate adults and children.

Included in the recommendation is a reduction of \$39.4 million (General Fund-State, General Fund-Federal) to the maintenance level funding that includes the forecasted caseload increases. The overall mental health community services budget proposal represents a 3 percent increase over the 2001-03 Biennium.

### **Mental Health Facilities Services**

State psychiatric hospitals include Eastern and Western State Hospitals, and the Child Study and Treatment Center. Services include in-patient psychiatric services for acutely and chronically mentally ill persons, mentally ill legal offenders, and geriatric patients at Eastern and Western State Hospitals, and in-patient psychiatric services for severely disturbed children and adolescents at the Child Study and Treatment Center. Funding is not provided in maintenance level to service an increase in the population of mentally ill, developmentally disabled patients beyond the original 2001-03 Biennium funding levels. The Mental Health Division and the Developmental Disabilities Service will work together to divert this population into appropriate community settings. (General Fund-State, General Fund-Federal, General Fund-Private/Local).

This request includes funding for the settlement of the Marr Lawsuit to support mentally ill, developmentally disabled patients at Eastern State Hospital, \$710,000 (General Fund-State, General Fund-Federal, and other funds). In addition, the Secretary of State transfers funding to the state psychiatric hospitals for the continued operation of the institutional libraries, \$737,000 (General Fund-State, General Fund-Federal).

### **Program Support - Mental Health**

These costs represent administrative and technical support for all programs within the Mental Health Administration, including policy development, fiscal planning, information services, and legislative and regional coordination. (General Fund-State, General Fund-Federal)

The proposal includes a 3.9% administration reduction including 2.6 FTE staff, \$559,000 total funding.

### **Secure Community Transition Facility - (SCTF)**

The Secure Community Transition Facility (SCTF) is located on McNeil Island and administered by the SCC. The SCTF provides less restrictive, alternative residential living and community transitional services for sex offenders who have been civilly committed under the law and have received court-ordered conditional release from total confinement. (General Fund-State)

The proposal recommends reductions in staffing and other operational costs for the SCTF. By removing the 24-hour/7 day-a-week police presence on McNeil Island and reducing the staffing ratio at the SCTF prescribed in Chapter 12, Laws of 2001, the program will save \$2.6 million General Fund-State without a significant impact on community safety. The staffing increase for this activity is a reduction of approximately 16 FTE staff years from the maintenance level estimates, based on the most recent census forecast changes.

#### **Special Commitment Off Island (Least Restrictive Alternatives)**

Special Commitment Off Island Less Restrictive Alternatives (LRAs) include individual placements and placements in group settings, and will include Secure Community Transition Facilities (SCTFs). SCC is in the process of siting and implementing SCTFs in other mainland communities. The SCTFs will provide less restrictive, alternative residential living and community transitional services for sex offenders who have been civilly committed under the law and have received court-ordered conditional release from total confinement. (General Fund-State)

Included in this proposal is funding for the operational costs and staffing costs for the first phase of the Off Island program that will house and supervise six residents in one building. The additional cost for the first phase of the program is \$2.3 million General Fund-State and includes 18.3 FTE staff years.

#### **Special Projects - Mental Health #**

Special Projects for Mental Health include demonstration projects and studies individually funded through state and federal funds and private grants to demonstrate service delivery to the homeless, mentally ill offenders, and family support projects. (General Fund-State, General Fund-Federal).

Funding of \$902,000 is discontinued for the operation of the Mentally Ill Offender Program, RCW 71.24.450-460, that provides special services to assist approximately 25 mentally ill individuals released from a Department of Correction facility in successfully transitioning back into the community. An annual report about the program provided to the Legislature will also be discontinued. (General Fund-State)

#### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program 040

**DSHS - Developmental Disabilities****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	3,425.9	635,348	582,586	1,217,934
<b>Total Maintenance Level</b>	3,403.1	683,511	615,765	1,299,276
Difference	(22.8)	48,163	33,179	81,342
Percent Change from Current Biennium	(0.7)%	7.6%	5.7%	6.7%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(3,403.1)	(683,511)	(615,765)	(1,299,276)
Employment and Day Programs		65,481	30,328	95,809
Family Support Program		26,871	2,885	29,756
Field Services	456.1	37,266	26,961	64,227
Office of Deaf and Hard of Hearing	2.0		1,782	1,782
Other Programs		4,043	2,126	6,169
Personal Care		132,711	134,210	266,921
Professional Services		5,518	4,576	10,094
Program Support	48.2	3,991	2,633	6,624
Residential Habilitation Facilities	2,630.6	139,682	153,092	292,774
Residential Program		211,310	197,461	408,771
Special Projects	9.0		12,000	12,000
State Operated Living Alternatives	224.8	10,724	10,651	21,375
Voluntary Placement Program	25.5	30,590	26,729	57,319
Employee-related and Internal Service Cost Adjustments		4,135	3,695	7,830
Staff Reductions and Operating Efficiencies	(72.0)	(2,122)	(1,876)	(3,998)
<b>Subtotal</b>	(78.9)	(13,311)	(8,512)	(21,823)
<b>Total Proposed Budget</b>	3,324.2	670,200	607,253	1,277,453
Difference	(101.7)	34,852	24,667	59,519
Percent Change from Current Biennium	(3.0)%	5.5%	4.2%	4.9%

**Employment and Day Programs**

Employment and Day Programs for developmentally disabled clients are provided by contract with county governments. Services for children from birth to three years of age include specialized therapeutic and/or educational services. Services for adults, including individuals transitioning from high school to employment, involve promoting training, placement, and follow-up services to help clients obtain and maintain employment in integrated settings. Services also promote personal growth, enabling clients to participate in community activities. (General Fund-State, General Fund-Federal)

Funding for prevocational training is discontinued effective July 1, 2003. Prevocational training involves sheltered workshop settings for approximately 1,400 clients. The Aging and Disabilities Services Administration (ADSA) will work with clients to assist individuals in finding alternative employment or appropriate services. ADSA will notify the United States Department of Health and Human Services Center for Medicaid and Medicare Services that it will no longer cover this service in its new Home and Community Base waiver. This service reduction results in a savings of \$13.1 million in total funding.

### **Family Support Program**

Family Support Services for clients with developmental disabilities are provided by the family, in the family home, reducing or eliminating the need for out-of-home residential placement. Examples of services include respite care; attendant care; nursing; and therapeutic services such as physical therapy, behavior management, communication therapy, specialized equipment, and supplies. Funding is also included for the maintenance of effort requirements for the State Supplemental Payment program. (General Fund-State, General Fund-Federal)

### **Field Services**

Field Services staff for developmentally disabled clients is responsible for case management services and developing and monitoring all community services contracted directly by ADSA. Every client is assigned a case manager to assist in determining service needs, connect with available resources, provide ongoing information and referral, complete assessments and service plans, locate providers, and authorize services. Staff is also responsible for developing and monitoring all community services contracted by the division, providing technical assistance to private contractors, and coordinating planning and delivery of training services with county governments. (General Fund-State, General Fund-Federal)

Funding is provided to meet the requirements of the Marr tentative settlement for the support of mentally ill developmentally disabled clients at Eastern State Hospital. (\$731,000 total funds) A total of 3 biennialized FTE staff years are included in this funding. As of December 2002, the proposed Arc settlement was rejected by federal district court; consequently, the lawsuit has not been concluded. As a result, implementation of the tentative Arc agreement is eliminated, except for funding to respond to the United States Department of Health and Human Services Center for Medicare and Medicaid Services audit findings of ADSA. The net funding reduction due to the unresolved Arc lawsuit status for Field Services is \$1.1 million.

### **Office of Deaf and Hard of Hearing**

The Office of the Deaf and Hard of Hearing (ODHH) provides services to the deaf, hard of hearing, and deaf-blind communities. ODHH contracts with seven community service centers around the state to provide advocacy, sign language interpreter information, workshops, information and referral, counseling, outreach, and support services to clients and their families. (Telecommunication Devices for the Hearing and Speech Impaired Account)

### **Other Programs**

Other Community Programs includes background checks, diversion beds, and crisis intervention services to assist the community in supporting individuals with developmental disabilities experiencing a mental health crisis. ADSA contracts with Regional Support Networks (RSNs), mental health agencies, and ADSA-certified residential providers for 18 diversion beds statewide in an effort to avoid unnecessary state psychiatric hospitalization. ADSA also contracts with RSNs to provide enhanced crisis prevention and intervention services to improve access and appropriateness of mental health services for individuals with developmental disabilities. (General Fund-State, General Fund-Federal)

### **Personal Care**

The Personal Care Program provides funding for Title XIX personal care for children and adults with developmental disabilities. Personal Care provides assistance to developmentally disabled people in their own homes, licensed adult family homes, and boarding homes. Assistance is provided with supervision for self-care tasks such as bathing, feeding, and dressing. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

Funding for this activity is reduced by a total of \$790,000 due to caseload forecast changes. In addition, this activity reflects a reduction in the cost of the Basic Health Plan that will lower the monthly cost of homecare workers' premiums, for a savings of \$247,000 in the Health Services Account.

### **Professional Services**

The Department contracts for professional services for developmentally disabled clients, including medical and dental services; technical assistance; and therapeutic services such as counseling/behavioral management, and speech, occupational, and physical therapy. (General Fund-State, General Fund-Federal)

### **Program Support**

Program Support represents the costs of administrative and technical support for all programs within ADASA for developmental disabilities services, including policy development, fiscal planning, information services, and legislative and regional coordination.

Program administration is reduced by 3.9 percent for a savings to the maintenance level of \$170,000 total dollars.

### **Residential Habilitation Facilities**

Residential Habilitation Centers (RHCs) serve developmentally disabled clients with limited self-help skills, serious or anti-social behavior disorders, or serious medical problems. The purpose of RHCs is to provide assessment, treatment, training, habilitative programs, and supportive activities to people who live in this more supportive setting. The five RHCs in Washington provide a full range of habilitative services to help each person achieve and maintain maximum independent functioning and develop the skills necessary to live in a community setting. RHCs also provide diagnostic, evaluation, consultation, emergency, and respite care services. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

### **Residential Program**

Residential Programs for developmentally disabled clients are provided through contracts with private community providers. These support services provide residential care, supervision, habilitation training, therapies, medical and nursing care, and recreation. The Public Safety proviso allows for funding to provide intensive community residential supports to mentally ill offenders being released from the Department of Corrections, state psychiatric hospitalized clients who are ready for discharge, and individuals who have used crisis diversion bed services. (General Fund-State, General Fund-Federal)

As of December 2002, the results of the Arc lawsuit proceedings are inconclusive. As a result, the implementation of the tentative Arc agreement is eliminated, other than for funding to respond to the United States Department of Health and Human Services Center for Medicare and Medicaid Services audit findings of the Division of Developmental Disabilities, now part of ADSA. The net funding reduction for Residential Services is \$6.8 million total dollars.

### **Special Projects**

Special Projects for developmentally disabled clients include the Infant Toddler Early Intervention Program (ITEIP). This program is a multi-disciplinary system for early intervention services to infants and toddlers with disabilities and their families. The program contracts with local organizations and governments for direct services. (General Fund-Federal)

### **State Operated Living Alternatives**

The State Operated Living Alternatives (SOLA) Program is similar to Residential Services, except staffing supports are provided by state employees. The program involves 115 clients living in 34 homes across the state. (General Fund-State, General Fund-Federal)

### **Voluntary Placement Program**

The Voluntary Placement Program for children with developmental disabilities provides services to children who are placed in out-of-home care or who need more intensive in-home care for reasons due solely to the child's disability. Children must be under age 18, meet ADSA eligibility criteria, and have no issues of abuse and neglect. Services provided in this program include behavioral support, foster care, group care, therapies, community activities for the child, and respite care for providers. (General Fund-State, General Fund-Federal)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)



Program 050

**DSHS - Long Term Care****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,069.3	1,022,487	1,072,132	2,094,619
<b>Total Maintenance Level</b>	1,146.2	1,079,444	1,138,029	2,217,473
Difference	76.9	56,957	65,897	122,854
Percent Change from Current Biennium	7.2%	5.6%	6.1%	5.9%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,146.2)	(1,079,444)	(1,138,029)	(2,217,473)
Adult Day Health Program		14,299	13,171	27,470
Adult Family Homes		47,292	45,120	92,412
Adult Residential Care		16,960	15,270	32,230
Assisted Living Services		56,990	56,988	113,978
Home and Community Services - Field	593.9	41,813	39,341	81,154
General Administrative Functions	147.6	16,116	15,222	31,338
In-Home Services		314,973	316,349	631,322
Inspections of Nursing and Boarding Homes	292.4	1,440	44,903	46,343
Adult Protective Service	104.3	9,522	5,127	14,649
Nursing Homes		467,020	462,157	929,177
Other Aging and Adult Services		7,034	7,616	14,650
Program of All-Inclusive Care for the Elderly		4,678	4,677	9,355
Recoveries		(16,902)	(17,220)	(34,122)
Services to Aging		60,841	87,711	148,552
Special Projects	2.0	954	4,128	5,082
Employee-related and Internal Service Cost Adjustments		1,283	1,371	2,654
Staff Reductions and Operating Efficiencies	(28.4)	(666)	(640)	(1,306)
<b>Subtotal</b>	(34.5)	(35,797)	(36,738)	(72,535)
<b>Total Proposed Budget</b>	1,111.7	1,043,647	1,101,291	2,144,938
Difference	42.4	21,160	29,159	50,319
Percent Change from Current Biennium	4.0%	2.1%	2.7%	2.4%

**Adult Day Health Program**

The Adult Day Health Program provides rehabilitative therapies to help participants become more self-sufficient, and provides support and counseling to families caring for a mentally, physically, socially, and/or emotionally impaired family member, thereby preventing or delaying entrance into 24-hour care or reducing the length of stay in care. Clients are Medicaid-eligible and have a skilled nursing or rehabilitation need, as determined by a doctor. Doctors' orders are reviewed every 90 days to determine ongoing need for services, which are provided by contract with local providers or through Area Agencies on Aging that subcontract with local providers.

### **Adult Family Homes**

The Aging and Disability Services Administration contracts for care in private homes that may serve up to six residents. Approximately 3,300 clients each year receive room, board, laundry, necessary supervision, and assistance with activities of daily living, personal care and social services. Some may receive limited nursing care. Clients residing in adult family homes (AFHs) meet the financial and functional eligibility criteria for Community Options Entry System (COPES) or Medicaid Personal Care.

A broad range of clientele are served in AFHs. Some AFHs may serve primarily higher functioning residents, while other homes specialize in serving people with dementia, developmental disabilities, or mental illnesses. AFHs where the provider is a professional nurse frequently serve individuals with more complex nursing/medical care needs, and AFHs may also serve vulnerable adults who are receiving state-provided adult protective services. (General Fund-State, General Fund-Federal)

### **Adult Residential Care**

The Aging and Disability Services Administration contracts with boarding homes for adult residential care (ARC) and enhanced adult residential care (EARC) services, which include room and board and help with medications and personal care. Residents may have limited nursing services and limited supervision. A limited number of clients may receive services by facilities contracted to provide specialized dementia care, and some ARCs work with clients who have mental illnesses. Clients living in ARC facilities meet the functional and financial eligibility criteria for services under Medicaid Personal Care or COPES, or they are vulnerable adults receiving state provided adult protective services. Approximately 1,400 clients receive ARC services each year. ARCs are not required to provide nursing services, so residents in these facilities do not have a need for nursing supervision or care. Residents with limited needs for nursing services, in addition to assistance with personal care tasks and supervision, may be eligible for enhanced ARC services under the COPES Program. (General Fund-State, General Fund-Federal)

### **Assisted Living Services**

The Aging and Disability Services Administration contracts with some boarding homes for assisted living services, which include assistance with activities of daily living, limited nursing and supervision, and housekeeping. Clients have a private apartment with private bathroom. Services are available 24 hours a day. Clients living in assisted living facilities meet the financial and functional eligibility criteria for services under COPES. Approximately 4,500 clients receive assisted living services each year. Assisted living facilities generally include a frail elder population who may have limited nursing needs. These facilities generally do not admit or retain individuals with more complex nursing/medical care needs or persons with significant care needs related to dementia or difficult to manage behaviors. (General Fund-State, General Fund-Federal)

### **Home and Community Services - Field**

The Aging and Disability Services Administration (ADSA) field staff determines eligibility for all Aging and Adult Services programs, and provides information and referral services, nursing home placement, community residential placement, and case management services. To be eligible for ADSA programs, a person must meet both functional and financial eligibility requirements. Functional eligibility is determined by the use of a comprehensive assessment, and financial eligibility is based on a person's income and resources.

Case management is available to all ADSA clients, with services designed to prevent premature institutionalization and decrease barriers that may prevent a client from maintaining their present place of residence or moving to a less restrictive environment. Activities include a comprehensive assessment of individual needs; development of a detailed, individualized plan of service; periodic monitoring/verification of service provisions; periodic home visits or telephone contacts to monitor client status and to facilitate appropriate implementation of the plan of care; discharge/termination planning; and coordination with other services where appropriate.

All initial placements in facilities or new in-home clients receive an initial face-to-face visit by a home and community services case manager within 30 days. If the individual is eligible for in-home services, the client is transferred to a case manager in the Area Agency on Aging. If the client is eligible for a residential placement, case management remains in Home and Community Services. (General Fund-State, General Fund-Federal)

### **General Administrative Functions**

Administrative staff develops policies around specific activities, provides technical assistance, monitors and evaluates programs, manages payment processes, collects and reports program data, and provides general administrative functions for other activities.

Funding is reduced to \$1.1 million and 6.2 FTE staff years. The program will implement operational efficiencies. (General Fund-State, General Fund-Federal)

### **In-Home Services**

The Aging and Disability Services Administration contracts for care in a client's home with agency or individual providers. Clients receive assistance with activities of daily living and household tasks to enable them to remain at home. Some clients may also receive other services, including transportation, meals, skilled nursing, environmental modification, special medical equipment, and adult day care. Private Duty Nursing Services provide nursing care to Medicaid clients over age 18 who otherwise would be institutionalized. To be eligible, the client must require at least four hours per day of continuous skilled nursing care. Over 27,000 clients receive in-home services each year, and approximately 75 clients receive Private Duty Nursing Services. (General Fund-State, General Fund-Federal)

### **Inspections of Nursing and Boarding Homes**

State inspectors survey and certify nursing homes, license community residential facilities and boarding homes, and monitor the quality of service provided in facilities where out-of-home placements are made. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

### **Adult Protective Service**

These services provided by Aging and Disability Services Administration field staff protect vulnerable adults by investigating allegations of abuse, neglect, exploitation, or abandonment. Based on the outcome of the investigation, Adult Protective Service may offer legal or social protective services. Approximately 9,000 clients receive adult protective services each year. (General Fund-State, General Fund-Federal)

### **Nursing Homes**

Nursing facility health care services are provided to over 13,000 Medicaid-eligible persons each year who need post-hospital recuperative care, require nursing services, or have chronic disabilities necessitating long-term habilitation and/or medical services. Nursing homes provide 24-hour, supervised nursing care, personal care, therapy, supervised nutrition, organized activities, social services, room, board, and laundry. The program also provides cash assistance to persons leaving nursing homes to help re-establish them in independent living. (General Fund-State, General Fund-Federal)

This proposal reduces the nursing home reimbursement rates by \$77.6 million, reducing lower priority, non-direct rate subdivisions. Rate adjustments include reducing incentive and variable return payments; eliminating the direct care floor; and increasing the occupancy lid to 95 percent in non-direct subdivisions; and increasing the direct care rates for high acuity clients.

This proposal also provides \$7.9 million additional funding for nursing home reimbursement rates by increasing the direct care rates for high acuity clients that results in a net reduction of \$69.7 million in payments.

### **Other Aging and Adult Services**

Respite care provides relief for caregivers of adults with disabilities. Respite services are arranged through home health agencies, adult family homes, adult residential care, social day care, nursing homes, or family, friends, and volunteers. Approximately 1,800 clients receive respite services each year. Senior Employment provides part-time community service assignments for approximately 200 low-income persons who are 55 years or older, while promoting transition to unsubsidized employment. Family Caregiver Support Services provide information, assistance, counseling, support groups, caregiver training, and support services to over 7,000 unpaid family or other caregivers. The Elderly Nutrition Program supplements the Older Americans Act Nutrition Program with United States Department of Agriculture cash payments in lieu of commodities. (General Fund-State, General Fund-Federal)

### **Program of All-Inclusive Care for the Elderly**

The Aging and Disability Services Administration contracts with PACE (Program of All-inclusive Care for the Elderly) in King County. PACE's goal is to help elderly clients remain in the community for as long as possible. This is achieved by providing comprehensive health and social services that are tailored to meet the unique needs of each client. PACE serves persons, age 55 and over, who are eligible for nursing facility level of care. Most clients have chronic diagnoses and require close medical and medication monitoring. In addition, all PACE clients require assistance with at least two activities of daily living. Clients may be served in their own homes, in adult family homes, or in nursing facilities. Approximately 150 clients receive services through PACE. (General Fund-State, General Fund-Federal)

### **Recoveries**

The department recovers funds paid for an individual's Medicaid services after the death of the individual (estate recovery); available third party payments; and payments to nursing facilities that are in excess of the facility's costs. Estate recovery, mandated by federal law, is a program to recoup, from the estates of deceased clients, costs associated with certain Medicaid services. Estate recovery is pursued on clients that are age 55 and older for federally funded long-term care services and for clients of any age for state-funded long term care services. Third party liability rights are assigned by clients to Washington State when they accept Medicaid. A condition of eligibility is that clients must cooperate with the department to identify and collect third party payments for medical expenses. In most instances, third party sources are responsible for making payment for medical costs before Medicaid payments are made. The department also recovers funds paid to nursing homes in excess of the facility's costs. (General Fund-State, General Fund-Federal)

### **Services to Aging**

The Services to Aging Program funds services provided through local Area Agencies on Aging. Services include Area Agency planning and administration; access services; case management; in-home services; nutrition education and outreach; adult day health; geriatric health screening; medication management; disease prevention/health promotion; elder abuse prevention; mental health services; caregiver training; and home care workers health insurance. (General Fund-State, General Fund-Federal, Health Services Account)

The Health Services Account is reduced by \$1.2 million. This savings is achieved within the Basic Health Program from tying the increase in managed care rates to the Seattle Consumer Price Index. This spending level reflects the resulting lower monthly cost of homecare workers' Basic Health premiums.

### **Special Projects**

Special projects involve items that are currently operating as pilot or short-term projects with the Aging and Adult Services Administration. Projects include the Medicare/Medicaid Integration Project, Assistive Technology, the Coming Home Project, Senior Farmer's Market Nutrition, Criminal History Background Checks, Seattle Housing Authority, Title XIX Ombudsman, and Title XIX Information and Assistance. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program 060

**DSHS - Economic Services Administration****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	4,777.5	847,787	1,388,837	2,236,624
<b>Total Maintenance Level</b>	4,631.9	836,031	1,467,508	2,303,539
Difference	(145.6)	(11,756)	78,671	66,915
Percent Change from Current Biennium	(3.0)%	(1.4)%	5.7%	3.0%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(4,631.9)	(836,031)	(1,467,508)	(2,303,539)
Client Eligibility Systems (ACES)	42.2	22,842	24,523	47,365
Child Support Enforcement Collections		(75,000)	(75,542)	(150,542)
Child Support Field Operations	1,099.1	14,739	122,793	137,532
Child Support Program - Central Field Operations	157.7	31,837	77,528	109,365
Consolidated Emergency Assistance (CEAP)		536		536
Diversion Cash Assistance		14,998		14,998
Division of Child Support: Management and Administration	54.1	3,323	8,319	11,642
Employment Support Services: Refugees			13,198	13,198
General Assistance - Interim SSI (GA-U/X) #		61,342		61,342
Immigrant State Food Assistance		7,880		7,880
Other Client Services		11,043	4,579	15,622
Program Support	3,313.5	261,231	220,079	481,310
Refugee Assistance Income			4,646	4,646
Supplemental Security Income Payments		10,323		10,323
Temporary Assistance to Needy Families (TANF)		309,654	243,087	552,741
Income Assistance: Repatriated U.S. Citizens			120	120
WorkFirst Employment and Training		6,934	236,512	243,446
Working Connections Child Care Program		105,420	588,528	693,948
Employee-related and Internal Service Cost Adjustments		8,909	3,027	11,936
Staff Reductions and Operating Efficiencies	(174.9)	(7,662)	(856)	(8,518)
<b>Subtotal</b>	(140.2)	(47,682)	3,033	(44,649)
<b>Total Proposed Budget</b>	4,491.8	788,349	1,470,541	2,258,890
Difference	(285.8)	(59,438)	81,704	22,266
Percent Change from Current Biennium	(6.0)%	(7.0)%	5.9%	1.0%

**Client Eligibility Systems (ACES)**

This activity includes the Automated Client Eligibility System (ACES) Project, which automated the eligibility determination and case maintenance process for all assistance programs, including Temporary Assistance for Needy Families (TANF), food stamps, medical assistance, and WorkFirst. (General Fund-State, General Fund-Federal)

This activity has been reduced by \$925,000 General Fund-State and 1.8 FTE staff years, which represents a 4 percent administrative reduction.

### **Child Support Enforcement Collections**

Child Support Enforcement Collections are child support obligations collected by the Division of Support Enforcement and paid to custodial parents. (General Fund-State, General Fund-Federal)

It is assumed that Child Support Enforcement Collections will increase by \$2 million General Fund-State per year over the forecasted level.

### **Child Support Field Operations**

The Division of Child Support (DCS) Field Operations is responsible for providing direct child support client services, as identified in state and federal statute. Field staff works collaboratively with county prosecuting attorneys, clerks, and court commissioner offices, as well as other divisions within the Department, to ensure full implementation of the Child Support Enforcement Program and that clients are aware of the child support services available. The population served includes individuals receiving TANF or foster care services, former assistance individuals who have received Aid to Families with Dependent Children, TANF, or foster care services, or individuals who have never received such services and have made application for Title IV-D services. (General Fund-State, General Fund-Federal)

### **Child Support Program - Central Field Operations**

In order to reduce duplicative efforts and streamline operations, the Division of Child Support (DCS) Central Field Operations has centralized many functions traditionally handled in the field. Staff provides direct, centralized support to DCS field staff and Division customers. Activities include the receipt and distribution of monthly child support payments; reconciliation of child support collection bank accounts; case file imaging; information technology planning, implementation, and maintenance; direct field support; and other centralized operations. Direct client support activities include Internal Revenue Service intercept support, passport revocation reversal, child support payment review, and assistance with the receipt and distribution of child support. (General Fund-State, General Fund-Federal)

This activity is reduced by \$1,258,000 General Fund-State and 6.6 FTE staff years, a 4 percent administrative reduction.

### **Consolidated Emergency Assistance (CEAP)**

The Consolidated Emergency Assistance Program (CEAP) gives cash grants to needy families who are not eligible for other programs and have a specific emergent need, such as shelter, food, clothing, minor medical, household maintenance, or job-related transportation. CEAP may be granted only one month in any consecutive 12-month period. (General Fund-State)

### **Diversion Cash Assistance**

Diversion Cash Assistance provides one-time financial assistance to TANF-eligible families to allow them to accept or maintain employment. These services will assist clients in not developing long term dependence on TANF assistance. (General Fund-State)

### **Division of Child Support: Management and Administration**

Division of Child Support management and administration provide division-wide leadership, operational support, and policy development consistent with the Department's mission. The Director's Office provides risk assessment and mitigation, including mandated audits, data warehousing, and data mining; reports and statistical analyses; constituent relations; quality improvement; strategic planning; and communications. Additional activities include financial services, contracts management, procurement, human resources, and facilities management. (General Fund-State, General Fund-Federal)

This activity is reduced by \$134,000 General Fund-State and 2.3 FTE staff years, a 4 percent reduction to administrative functions.

### **Employment Support Services: Refugees**

The primary goal of the Refugee Assistance Program is to promote the economic self-sufficiency of refugees and limited English speaking clients through effective use of social services, financial, and medical assistance. Refugees are persons fleeing persecution due to race, nationality, political opinion, religion, or membership in a particular group, and they must meet low-income financial criteria. The federal funding portion of employment services is limited to the first five years after entering the United States. Services include case management, employment assistance, English training, skills training, preventive mental health and cultural adaptation, community development and technical assistance, volunteer services, and social services. (General Fund-State, General Fund-Federal)

State funds (\$1,962,000) for this activity have been eliminated. Federal funds are available for refugees who request services, but only for the first five years after entering the United States.

### **General Assistance - Interim SSI (GA-U/X) #**

General Assistance-Unemployable and General Assistance-Interim SSI (GA-U/X) provide cash grants to needy individuals and childless couples whose physical, mental, or emotional disorder prevents them from working, and who may be ineligible or have applied for Supplemental Security Income (SSI). GA-U provides cash assistance for low-income adults who are unemployable based on a medical impairment. GA-X has the same financial eligibility requirements and provides the same cash assistance as GAU. However, because the client appears to meet SSI disability criteria and the medical condition will prevent employment for at least 12 consecutive months, GA-X recipients are eligible for Medicaid health coverage. The Department requires and helps GA-X recipients apply for SSI benefits. (General Fund-State)

The reduction of \$40,300,000 General Fund-State from this activity represents eliminating the GA-U program and maintaining only the GA-X program.

### **Immigrant State Food Assistance**

The Immigrant State Food Assistance program provides food assistance for legal immigrants who are no longer eligible for federal food assistance. Benefits are issued through the Electronic Benefits Transfer (EBT) System that can be used at participating grocery stores. The value of the benefit is determined by the size of the household, as well as the net income of the assistance unit. (General Fund-State)

### **Other Client Services**

Other Client Services includes incapacity examinations, Supplemental Security Income (SSI) consultative evaluations, interpretative services, and naturalization services that are provided directly to clients. (General Fund-State, General Fund-Federal)

### **Program Support**

Program Support encompasses the people and infrastructure that deliver all of the grant and employment services which are part of the Economic Services Administration. Staff members in 65 offices throughout the state provide case management, eligibility, counseling, and referral services to clients. Funding provides staff, building, and supply costs for operating programs statewide. This activity includes funding for GA-U/X structured work experience and supports necessary to allow clients to make the transition to self-sufficiency and regular jobs, as well as the WorkFirst evaluation, child care database, and child care research projects. (General Fund-State, General Fund-Federal)

This activity is reduced \$4,266,000 General Fund-State and 55.1 FTE staff years, a 4 percent administrative reduction. Also included in this activity is a \$973,000 General Fund-State and 19.5 FTE staff year to fund the transfer of the Medical Eligibility Determination Services (MEDS) unit from the Medical Assistance Administration to the Economic Services Administration. In addition, included in this activity is a \$5,371,000 General Fund-State increase and 81 FTE staff year for a new initiative to review Medicaid eligibility at six months, instead of the current practice of reviewing annually. This change will create savings in the Medical Assistance Administration budget. These changes have a net effect of increasing General Fund Federal by \$4,393,000.

#### **Refugee Assistance Income**

Refugee Assistance provides cash grants to needy refugees who have settled in Washington State. The population served by this benefit are refugees authorized by the United States State Department to immigrate into the country. These people are refugees granted permanent residence authorization. Client need is determined by comparing the family's income to a payment standard. The goal of this program is to help refugees attain self-sufficiency. (General Fund-Federal)

#### **Supplemental Security Income Payments**

Based on legislative changes for Fiscal Year 2003, program dollars have been reduced to reflect the serving of a different client population. Within this change, the Legislature directed the Economic Services Administration to pay Supplemental State Payments to Mandatory Income Level (MIL) clients and individuals with a spouse ineligible for Supplemental Security Insurance. For Fiscal Year 2003, an average monthly caseload of 5,000 is assumed. (General Fund-State)

#### **Temporary Assistance to Needy Families (TANF)**

TANF grants provide monthly cash assistance to needy families with children and to low-income pregnant women. Eligibility is determined by comparing the family's countable income to the grant payment standard for the applicant's household size. Funding for the program is shared by state and federal governments. (General Fund-State, General Fund-Federal)

#### **Income Assistance: Repatriated U.S. Citizens**

The United States Repatriate Program provides temporary assistance to United States citizens and/or their dependents returning to the United States because of destitution, mental or physical illness, or international crisis. This program is federally funded. (General Fund-Federal)

#### **WorkFirst Employment and Training**

The WorkFirst Employment Program offers job search, subsidized employment, post-job search employability evaluation, job readiness training, basic education, career counseling, and non-salaried work experience to TANF-eligible clients. The program also provides support for vocational education once a client is working 20 hours per week. This federally mandated program is designed to move clients from public assistance to self-sufficiency permanently. (General Fund-State, General Fund-Federal)

#### **Working Connections Child Care Program**

The Working Connections Child Care Program provides payments for child care services to all TANF clients; WorkFirst participants; and non-TANF, low-income parents who participate in employment, work activities, and training. Child care assistance allows low-income families to attain and maintain self-sufficiency. The state partially subsidizes child care for families with seasonal employment, as well as homeless and teen parent populations. Also included in this activity is funding for the Early Childhood Education and Assistance Program (ECEAP). (General Fund-State, General Fund-Federal)

#### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)



Program 070

**DSHS - Alcohol And Substance Abuse****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	105.5	73,224	158,035	231,259
<b>Total Maintenance Level</b>	102.9	73,790	157,378	231,168
Difference	(2.6)	566	(657)	(91)
Percent Change from Current Biennium	(2.5)%	0.8%	(0.4)%	(0.0)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(102.9)	(73,790)	(157,378)	(231,168)
Alcohol and Substance Abuse	40.3	5,149	7,438	12,587
County Managed Services	22.6	22,609	94,555	117,164
Prevention Services	7.0	2,766	17,872	20,638
Residential and Sheltered Services	13.0	28,406	40,256	68,662
Support Services for Clients	18.1	8,588	2,873	11,461
Employee-related and Internal Service Cost				
Adjustments		186	60	246
Staff Reductions and Operating Efficiencies	(3.5)	(168)	(22)	(190)
<b>Subtotal</b>	(5.4)	(6,254)	5,654	(600)
<b>Total Proposed Budget</b>	97.6	67,536	163,032	230,568
Difference	(8.0)	(5,688)	4,997	(691)
Percent Change from Current Biennium	(7.5)%	(7.8)%	3.2%	(0.3)%

**Alcohol and Substance Abuse**

The Alcohol and Substance Abuse Program helps people avoid and recover from alcoholism and drug addiction. Through a statewide network of prevention, public education, treatment, and support services, the program provides people with the tools necessary to establish and maintain alcohol- and drug-free lifestyles. Services are provided through contracts with county governments, tribes, and direct care agencies. The Division of Alcohol and Substance Abuse (DASA) includes direct staff who oversee strategic planning and policy implementation, as well as basic services such as contract processing, bill paying, information systems, research and grants, and other special projects, including drug courts. (General Fund-State, General Fund-Federal, Public Safety and Education Account, Violence Reduction and Enforcement Account)

This proposal reduces this activity by \$209,000 and 1.9 FTE staff years, the program will implement operating efficiencies.

### **County Managed Services**

County Managed Services are community-based, non-residential treatment services. Outpatient treatment is contracted with counties which, in turn, contract with provider networks in their communities. Services include, but are not limited to, assessment, detoxification, outpatient treatment, and opiate substitution. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Public Safety and Education Account, Criminal Justice Treatment Account, Violence Reduction and Enforcement Account)

This proposal transfers \$5.1 million from the Public Safety and Education Account, and the Violence Reduction and Enforcement Account to General Fund-State; and eliminates \$2 million for the expansion of treatment services for persons defined as gravely disabled.

This proposal also provides an additional \$9 million to counties for substance treatment services for persons convicted of crimes.

### **Prevention Services**

Prevention Services are designed to reduce the incidence of new chemical dependency. Prevention Services are contracted by DASA through counties, the Office of the Superintendent of Public Instruction, or with providers, and are intended to reduce the incidence of substance abuse among youth. Risk is assessed according to factors that predict future substance abuse. Strategies are then selected that reduce risk or increase protective factors among at-risk youth. (General Fund-State, General Fund-Federal)

### **Residential and Sheltered Services**

Residential and Sheltered Services include intensive inpatient treatment, recovery house, involuntary treatment, youth residential treatment, and pregnant postpartum residential treatment. Residential services are contracted directly by DASA and include services for adults, as well as specialized programs for youth and pregnant women. (General Fund-State, General Fund-Federal, Public Safety and Education Account)

A transfer of \$8.6 million is made to the Public Safety and Education Account from General Fund-State.

### **Support Services for Clients**

Support Services for Clients are special services which assist persons in treatment or their dependents. Support services are contracted directly by DASA and include special programs for youth and pregnant women, Fetal Alcohol Syndrome, counselor training, interpreters, child care, and Native American government-to-government. The Treatment Accountability for Safe Communities (TASC) is funded solely with Public Safety and Education Account funds. (General Fund-State, General Fund-Private/Local)

This proposal transfers \$6.6 million from the Public Safety and Education Account to General Fund-State and eliminates \$6.6 million for the TASC program. This program currently admits 2,600 clients per year.

An additional \$300,000 is eliminated for the hospital-based detoxification services provided to small rural counties.

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program 080

**DSHS - Medical Assistance Payments****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	936.1	2,206,555	4,947,250	7,153,805
<b>Total Maintenance Level</b>	996.3	2,695,427	4,856,111	7,551,538
Difference	60.3	488,872	(91,139)	397,733
Percent Change from Current Biennium	6.4%	22.2%	(1.8)%	5.6%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(996.3)	(2,695,427)	(4,856,111)	(7,551,538)
Consolidated Drug Purchasing		(22,714)	(21,736)	(44,450)
Medically Indigent Program				
Optional Health Benefits: Dental, Vision, Hearing				
Optional Health Care for Workers with Disability				
SCHIP	1.2		28,971	28,971
Optional Medicaid Services for Children	18.5		511,280	511,280
Special Programs #	20.6	16,670	280,874	297,544
Disproportionate Share Hospital/Proshare		32,000	575,287	607,287
Medicaid Program for Aged, Blind and Disabled	9.2	132,779	157,845	290,624
Medical Care for General Assistance Unemployable and ADATSA	2.2		218,877	218,877
Mandatory Medicaid Program for Children and Families	931.3	2,301,351	2,974,486	5,275,837
Employee-related and Internal Service Cost Adjustments		1,182	1,223	2,405
Staff Reductions and Operating Efficiencies	(35.6)	(840)	(874)	(1,714)
<b>Subtotal</b>	(48.9)	(234,999)	(129,878)	(364,877)
<b>Total Proposed Budget</b>	947.4	2,460,428	4,726,233	7,186,661
Difference	11.4	253,873	(221,017)	32,856
Percent Change from Current Biennium	1.2%	11.5%	(4.5)%	0.5%

**Consolidated Drug Purchasing**

Three state agencies that engage in major prescription drug purchasing will develop a preferred drug list and consolidate their purchasing where possible. The three agencies are the Medical Assistance Administration program in DSHS, the Health Care Authority, and the Department of Labor and Industries. Savings of \$44.4 million will be gained by purchasing drugs that are proven to be the most cost-effective. (General Fund-State, General Fund-Federal)

**Medically Indigent Program**

The state-funded Medically Indigent (MI) program provides limited medical coverage for persons who are not eligible for any other medical program and who have an emergency medical condition requiring hospital services. The maximum length of service for MI is three months in any 12-month period. In general, the clients must have emergency medical bills in excess of \$2,000. (General Fund-Local, General Fund-Federal)

This activity has been eliminated. (\$81 million General Fund-Private/Local, \$54 million General Fund-Federal)

**Optional Health Benefits: Dental, Vision, Hearing**

Federal regulations allow states to cover optional services such as hearing, dental, and vision care under Medicaid, so long as those services are listed in the State Plan. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

This activity has been eliminated. (\$51 million General Fund-State; \$50 million General Fund-Federal; \$200,000 General Fund-Private/Local)

Emergent dental and eye care for adults and optional services for children under the federal Early Periodic Screening Diagnosis and Treatment (EPSDT) mandate are unaffected by this reduction.

**Optional Health Care for Workers with Disability**

This program provides the Medicaid benefit package to Washington residents who are age 16 through 64, meet federal disability requirements, are employed (including self-employment) full or part-time, and have monthly gross income at or below 450 percent of the federal poverty level. (General Fund-Federal, Health Services Account-State)

This activity has been eliminated. (\$1.5 million General Fund-Federal, \$1.5 million Health Services Account-State)

**SCHIP**

The State Children's Health Insurance Program (SCHIP) currently provides health coverage to about 12,000 children, up to age 19, who live in households with income between 200 and 250 percent of the federal poverty level. (General Fund-Federal, Health Services Account-State)

This level of spending represents the implementation of two initiatives that will decrease costs for the activity. The initiatives are: increased eligibility determination controls, and tying increases in managed care rates to the Seattle Consumer Price Index -- totaling savings of \$1.4 million in this area.

**Optional Medicaid Services for Children**

Medicaid services are provided to those children who do not qualify under the federal mandatory guidelines but live in families with incomes less than 200 percent of the federal poverty level. (General Fund-Federal, Health Services Account-State)

This level of spending represents the implementation of two initiatives that will decrease costs for the activity. The initiatives are: increased eligibility determination controls, and tying increases in managed care rates to the Seattle Consumer Price Index -- totaling savings of \$22.6 million in this area.

**Special Programs #**

Medical Assistance Administration (MAA) pays for kidney dialysis treatments for low-income clients who do not qualify for any other medical assistance program. The Breast and Cervical Cancer Treatment program provides medical coverage for women who have been diagnosed as needing treatment for breast or cervical cancer through the Department of Health's (DOH) Breast and Cervical Health Program or a similar program funded by the Centers for Disease Control. Income and resource eligibility is established by the DOH screening program. There is an enhanced federal matching rate for this program (65 percent). MAA covers family planning services for both men and women if their family income is at or below 200 percent of the federal poverty level, they do not have health insurance, or their current coverage does not include comprehensive family planning benefits. Additionally, family planning extension provides ten months of family planning after a woman has received medical benefits for pregnancy. This activity also includes: Indian Health, clinic-based services for qualifying individuals; trauma program; and payment of insurance premiums for HIV-positive individuals who may lose their coverage because they are no longer working. (General Fund-State, General Fund-Federal, Health Services Account-State)

This recommendation includes a \$7.8 million decrease in General Fund-State spending by transferring the AIDS health insurance program to the DOH where other HIV/AIDS-related programs are operated.

Trauma program spending is increased by \$15.7 million by applying to the program disproportionate share hospital payments in the amount of \$5 million and by shifting some appropriation authority from the DOH to consolidate some assistance payments. (General Fund-Federal, Emergency Medical Services and Trauma Care Systems Trust Account-State)

#### **Disproportionate Share Hospital/Proshare**

Congress established the Disproportionate Share Hospital (DSH) program to assure continued operation of those hospitals most heavily impacted by charity and Medicaid caseloads. The Department of Social and Health Services operates DSH and several intergovernmental transfer (IGT) and refinancing programs to maximize federal revenue. In the 1999-01 Biennium, the state opted to expand the IGT programs to include public hospital district nursing homes, and further maximize federal revenue using IGTs with the University of Washington and Harborview Medical Center. In prior biennia, participating hospitals and nursing facilities throughout the state have been allowed to keep a percentage of the revenue earned through some of these programs. (General Fund-State, General Fund-Federal, various other accounts)

The DSH/Proshare expenditure authority is increased by \$86.8 million. This is the spending needed to use the disproportionate share hospital funding that is freed up through elimination of the Medically Indigent program to help mitigate the impact on providers of increasing uncompensated care. (General Fund-Private/Local, General Fund-Federal)

#### **Medicaid Program for Aged, Blind and Disabled**

Medically Needy (MN) is a federal- and state-funded Medicaid program for aged, blind, or disabled individuals with income above \$571 per month and/or resources above \$2,000. Clients with income in excess of this limit are required to spend down excess income before medical benefits can be authorized. (General Fund-State, General Fund-Federal, Health Services Account)

#### **Medical Care for General Assistance Unemployable and ADATSA**

General Assistance-Unemployable (GA-U) is a state-funded program that provides limited medical care to persons who are physically and/or mentally incapacitated and unemployable for more than 90 days. Limited medical care is also provided to people participating in the state-funded Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) program which provides cash and/or medical benefits, treatment, and support for persons who are unemployed due to drug or alcohol abuse. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Health Services Account)

This proposal includes a shift of \$65.9 million from General Fund-State to General Fund-Private/Local. The elimination of the Medically Indigent program created General Fund-Private/Local capacity which is used here for GAU-ADATSA medical care.

#### **Mandatory Medicaid Program for Children and Families**

Mandatory clients are families and children eligible to receive Temporary Assistance to Needy Families (TANF), families and individuals terminated from TANF because they have increased earnings or hours of employment or Social Security Disability Insurance income, individuals who are ineligible for TANF because of requirements that do not apply to Medicaid, eligible pregnant women and their newborns, individuals receiving Social Security Income or those eligible to receive mandatory state supplements, and children in foster care or adoption support. Mandatory Medicaid services for eligible clients include inpatient and outpatient hospital care, rural health clinic services, lab and X-ray services, nursing home services for clients 21 years or older (other than those in mental hospitals or institutions for the developmentally disabled), EPSDT health care program for children, family planning, physician care, and home health. (General Fund-State, General Fund-Federal, various other accounts)

This level of spending represents the implementation of three initiatives that will decrease costs for the activity. The three initiatives are: increased eligibility determination controls, tying increases in managed care rates to the Seattle Consumer Price Index, and implementing a long-term care health management project -- totaling savings of \$149.5 million in this area. (General Fund-State, General Fund-Federal, Health Services Account-State)

## HUMAN SERVICES - DSHS

This spending level includes \$1.1 million to implement DOH's expanded newborn screening program (General Fund-State, General Fund-Federal). Transferring the Medical Eligibility Determination Services (MEDS) unit to the Economic Services Program decreases spending in this activity by \$1.9 million (General Fund-State, General Fund-Federal).

This spending authority further reflects a shift of \$16 million from General Fund-State to General Fund-Private/Local and \$23.5 million from General Fund-State to the Health Services Account-State.

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program 100

**DSHS - Vocational Rehabilitation****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	337.1	21,486	82,600	104,086
<b>Total Maintenance Level</b>	337.1	22,104	86,312	108,416
Difference		618	3,712	4,330
Percent Change from Current Biennium	0.0%	2.9%	4.5%	4.2%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(337.1)	(22,104)	(86,312)	(108,416)
Vocational Rehabilitation	337.1	21,747	86,025	107,772
Employee-related and Internal Service Cost Adjustments		801		801
Staff Reductions and Operating Efficiencies	(12.6)	(608)		(608)
<b>Subtotal</b>	(12.5)	(164)	(287)	(451)
<b>Total Proposed Budget</b>	324.6	21,940	86,025	107,965
Difference	(12.5)	454	3,425	3,879
Percent Change from Current Biennium	(3.7)%	2.1%	4.1%	3.7%

**Vocational Rehabilitation**

The Vocational Rehabilitation (VR) Program assists individuals with physical, mental, or sensory disabilities, and increases independence and self-sufficiency through employment. VR counselors provide counseling and guidance to assist individuals in assessing their vocational interests and strengths, selecting a job goal, and identifying VR services needed to achieve employment. The Division of Vocational Rehabilitation (DVR) can also offer a variety of services to assist individuals in overcoming the unique barriers they experience, including vocational or academic training, assistive technology, mobility/transportation, communication services or devices, job placement and retention. DVR clients are required to disclose income information and may be required to contribute to the cost of some DVR services, depending on financial status. (General Fund-State, General Fund-Federal)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program 110

**DSHS - Administration and Supporting Services****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	684.2	54,595	48,568	103,163
<b>Total Maintenance Level</b>	630.4	55,820	47,077	102,897
Difference	(53.8)	1,225	(1,491)	(266)
Percent Change from Current Biennium	(7.9)%	2.2%	(3.1)%	(0.3)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(630.4)	(55,820)	(47,077)	(102,897)
Collection of Legal Financial Obligations	16.0	3,000		3,000
Administrative Services Division	130.5	12,358	9,818	22,176
Special Projects and Unique Programs Grants	2.0	388		388
Budget Division	28.0	2,403	1,932	4,335
Division of Access and Equal Opportunity	17.8	1,513	1,214	2,727
Division of Fraud Investigations	63.4	4,097	3,836	7,933
Executive Division	24.9	2,518	2,029	4,547
Finance Division	197.4	16,924	17,567	34,491
Human Resources Division	83.3	6,854	5,472	12,326
Lands and Buildings Division	13.6	892	718	1,610
Legislative Relations	18.8	1,416	1,139	2,555
Research and Data Analysis Division	23.5	2,234	1,798	4,032
Washington Council for the Prevention of Child Abuse and Neglect#				
HIPAA Standard Transactions	19.7	3,636	11,932	15,568
Employee-related and Internal Service Cost Adjustments		1,497	506	2,003
Staff Reductions and Operating Efficiencies	(25.0)	(1,122)	(374)	(1,496)
<b>Subtotal</b>	(16.6)	2,788	10,510	13,298
<b>Total Proposed Budget</b>	613.8	58,608	57,587	116,195
Difference	(70.4)	4,013	9,019	13,032
Percent Change from Current Biennium	(10.3)%	7.4%	18.6%	12.6%

**Collection of Legal Financial Obligations**

The Department of Social and Health Services will monitor and collect the court-ordered Legal Financial Obligations (LFO) for offenders in the community. An LFO is assessed to an offender, by a Superior Court, because of a felony conviction. The collection services the Department will provide include issuing offenders' monthly billing statements; receiving the dollars; then distributing to the counties. (General Fund-State)



### **Administrative Services Division**

The Administrative Services Division provides support services to all agency programs and clients. These services include purchasing equipment, contracts management, asset management, social services payments, support of regulation reform, review of administrative hearings, central office building management, mail services, forms control, records management and storage, fiscal management and reporting, audit consultation and review, and language translation and testing. These services are provided through the Office of Legal Affairs, the Office of Information Services, the Office of Administrative Resources, and the Management Services Fiscal Office. (General Fund-State, General Fund-Federal)

This activity is included in the Administration and Supporting Services Program. The program in total is reduced by \$5.6 million. The proportionate amount of the reduction assumed for this activity is \$520,000.

The agency can determine the distribution of the total reduction to each of the activities within the program. This reduction should be distributed to best accommodate the support activities necessary for the program and operational changes assumed in the 2003-05 budget.

### **Special Projects and Unique Programs Grants**

This activity involves areas that have been identified as unique programs, grants, or special projects to the agency. For example, the Background Checks Central Unit conducts background checks on current state vendors, employees, and applicants who have or may have unsupervised access to children, juveniles, or vulnerable adults. Also, the Payment Review Program examines payments to vendors using complex computer algorithms. Recoveries of questionable payments are made from the various vendors. (General Fund-State, General Fund-Federal)

This activity is included in the Administration and Supporting Services Program. The program in total is reduced by \$5.6 million. The proportionate amount of the reduction assumed for this activity is \$16,000. The agency can change the distribution of the total reduction within the program to best accommodate the support activities necessary for the program and operational changes assumed in the 2003-05 budget.

### **Budget Division**

The Budget Division is responsible for developing the department's operating budget and monitoring expenditures for compliance with legislative intent. The division is responsible for forecasting caseloads and expenditures, and preparing fiscal notes. The division maintains the integrity of the agency's budget and allotment records, which are entered into the department and statewide computer systems. (General Fund-State, General Fund-Federal)

This activity is included in the Administration and Supporting Services Program. The program in total is reduced by \$5.6 million. The proportionate amount of the reduction assumed for this activity is \$100,000. The agency can change the distribution of the total reduction within the program to best accommodate the support activities necessary for the program and operational changes assumed in the 2003-05 budget.

### **Division of Access and Equal Opportunity**

The Division of Access and Equal Opportunity protects the civil rights of employees and agency clients, and promotes the positive value of diversity. The division develops and coordinates the department's strategic plan related to compliance with the Civil Rights Act, the Americans with Disabilities Act, the Washington State Law Against Discrimination, the Rehabilitation Act, and the Governor's Executive Order on Diversity. The division maintains the department's plan to provide equal contracting opportunities to women and ethnic minorities, and increases community awareness of department service in partnership with diverse media outlets or through community-based organizations. (General Fund-State, General Fund-Federal)

This activity is included in the Administration and Supporting Services Program. The program in total is reduced by \$5.6 million. The proportionate amount of the reduction assumed for this activity is \$60,000. The agency can change the distribution of the total reduction within the program to best accommodate the support activities necessary for the program and operational changes assumed in the 2003-05 budget.

### **Division of Fraud Investigations**

The Division of Fraud Investigations has delegated authority to conduct investigations related to allegations of fraud within programs administered by the department. Investigations focus on welfare eligibility issues and vendor fraud. Investigators coordinate with staff at Community Services Offices statewide; county prosecutors; and local, state, federal, and international law enforcement agencies when necessary. (General Fund-State, General Fund-Federal)

This activity is included in the Administration and Supporting Services Program. The program in total is reduced by \$5.6 million. The proportionate amount of the reduction assumed for this activity is \$170,000. The agency can change the distribution of the total reduction within the program to best accommodate the support activities necessary for the program and operational changes assumed in the 2003-05 budget.

### **Executive Division**

The Executive Division consists of the agency Secretary, Deputy Secretary, and support staff. This division provides policy direction for the agency, which allows it to effectively serve the public. Included in this division is the Victims and Witness Notification Program which notifies victims and witnesses of client release from department institutions. (General Fund-State, General Fund-Federal)

This activity is included in the Administration and Supporting Services Program. The program in total is reduced by \$5.6 million. The proportionate amount of the reduction assumed for this activity is \$110,000. The agency can change the distribution of the total reduction within the program to best accommodate the support activities necessary for the program and operational changes assumed in the 2003-05 budget.

### **Finance Division**

The Finance Division of the department oversees and provides direction to programs regarding accounting issues, and coordinates with the State Auditor's Office, Office of Financial Management, and Office of the State Treasurer. The three sections of the division include the Office of Accounting Services, Office of Financial Recovery, and Office of Information Technology. (General Fund-State, General Fund-Federal)

This activity is included in the Administration and Supporting Services Program. The program in total is reduced by \$5.6 million. The proportionate amount of the reduction assumed for this activity is \$730,000. The agency can change the distribution of the total reduction within the program to best accommodate the support activities necessary for the program and operational changes assumed in the 2003-05 budget.

### **Human Resources Division**

The Human Resources Division is responsible for overall management of human resource functions within the department, including recruitment, appointments, labor relations, position classification, personnel policy and procedure development, staff development, risk management, and personnel/payroll systems. (General Fund-State, General Fund-Federal)

This activity is included in the Administration and Supporting Services Program. The program in total is reduced by \$5.6 million. The proportionate amount of the reduction assumed for this activity is \$285,000. The agency can change the distribution of the total reduction within the program to best accommodate the support activities necessary for the program and operational changes assumed in the 2003-05 budget.

### **Lands and Buildings Division**

The Lands and Buildings Division manages statewide capital and leasehold development activities essential to department programs. Activities include planning, maintenance, renovation, and development of required office space leased from private vendors. (General Fund-State, General Fund-Federal)

This activity is included in the Administration and Supporting Services Program. The program in total is reduced by \$5.6 million. The proportionate amount of the reduction assumed for this activity is \$38,000. The agency can change the distribution of the total reduction within the program to best accommodate the support activities necessary for the program and operational changes assumed in the 2003-05 budget.

### **Legislative Relations**

Legislative Relations coordinates development of agency request legislation, analysis of proposed legislation, and acts as liaison with legislative members and staff. The Office of Indian Policy and Support Services (IPSS) seeks unity among tribal governments, Indian organizations, and department services. IPSS' role is to assist the collective needs of tribal governments and other American Indian organizations to assure quality and comprehensive service delivery to all American Indians and Alaska natives in Washington State. The Communications Division oversees media relations, publications management, internal communications, and Internet communications for the agency. Responsibilities include managing interaction with the news media; producing agency publications; and publishing a monthly newsletter; as well as establishing publishing standards for departmental Internet presence, maintaining overall structure and general agency Web pages, and providing subsite development and review. (General Fund-State, General Fund-Federal)

This activity is included in the Administration and Supporting Services Program. The program in total is reduced by \$5.6 million. The proportionate amount of the reduction assumed for this activity is \$59,000. The agency can change the distribution of the total reduction within the program to best accommodate the support activities necessary for the program and operational changes assumed in the 2003-05 budget.

### **Research and Data Analysis Division**

The Research and Data Analysis Division (RDA) provides information and answers customer questions about risk, need, demand use, supply, cost, and outcomes of department services. RDA furnishes information about clients who use multiple program areas, provides local geographic context over time, and carries out highly complex analyses with program research staff. RDA staff also maintains official departmental information on performance measures, costs, caseloads over time, and the Human Research Review Board, which protects the privacy and confidentiality of people who are subjects in any departmental research projects. (General Fund-State, General Fund-Federal)

This activity is included in the Administration and Supporting Services Program. The program in total is reduced by \$5.6 million. The proportionate amount of the reduction assumed for this activity is \$93,000. The agency can change the distribution of the total reduction within the program to best accommodate the support activities necessary for the program and operational changes assumed in the 2003-05 budget.

### **Washington Council for the Prevention of Child Abuse and Neglect#**

The Washington Council for the Prevention of Child Abuse and Neglect offers information for people seeking resources about child abuse prevention and family support. The council develops and maintains a network of community-based programs to support families and promote healthy child development. It also funds community-based family resource programs throughout Washington State and collaborates with statewide partners to provide training and peer-to-peer support opportunities for volunteers, parent leaders, and staff of local programs focusing on family support practice and outcome evaluation.

This activity is eliminated.

### **HIPAA Standard Transactions**

The Health Insurance Portability and Accountability Act was signed into law in August 1996. This act covers health care fraud and abuse prevention, medical liability reform, and administrative simplifications. Administrative simplification is being implemented in three rules. This activity funds the implementation of the first of the three administrative rules, which requires standard electronic transactions and code sets to be in place by October 2003. Under this rule, all health care organizations must standardize electronic transactions between organizations. (General Fund-State, General Fund-Federal)

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

## HUMAN SERVICES - DSHS

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program 145

**DSHS - Payments to Other Agencies****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		86,106	26,665	112,771
<b>Total Maintenance Level</b>		85,508	26,446	111,954
Difference		(598)	(219)	(817)
Percent Change from Current Biennium		(0.7)%	(0.8)%	(0.7)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(85,508)	(26,446)	(111,954)
Payment to Other Agencies		81,636	26,230	107,866
Employee-related and Internal Service Cost				
Adjustments		(1,922)	(864)	(2,786)
Self-Insurance Premiums			16,196	16,196
<b>Subtotal</b>		(5,794)	15,116	9,322
<b>Total Proposed Budget</b>		79,714	41,562	121,276
Difference		(6,392)	14,897	8,505
Percent Change from Current Biennium		(7.4)%	55.9%	7.5%

**Payment to Other Agencies**

This program consolidates payments the department makes to other support service agencies. Funding supports two categories of costs: department-wide services, including human resources, information services, the agency self-insurance program, insurance administration, and other general administrative services, Office of Minority and Women Business Enterprises, Washington State Patrol, and payments to the Human Rights Commission; and revolving funds, which include State Archives, General Administration, the State Auditor, the Attorney General, and Administrative Hearings.

The recommendation assumes a four percent reduction, or \$3.3 million, in General Fund-State administrative expenditure levels. (General Fund-State, General Fund-Federal)

**Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

*Program 150***DSHS - Information System Services****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	161.2			
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(161.2)			
Information System Services Division (ISSD)	157.1			
Staff Reductions and Operating Efficiencies	(5.8)			
<b>Subtotal</b>	(9.8)			
<b>Total Proposed Budget</b>	151.4			
Difference	(9.8)			
Percent Change from Current Biennium	(6.1)%			

**Information System Services Division (ISSD)**

The Information System Services Division (ISSD) is the department's primary center for information technology (IT) services. The division is also responsible for formulating agency IT policy; facilitating the development of agency IT standards, guidelines, and best practices; maintaining a portfolio of IT projects used in strategic agency priority setting; and oversight reporting to the Information Services Board.

Four FTE staff years are eliminated as part of the Department of Social and Health Services' administrative staff reduction proposal.

Agency 107

## Washington State Health Care Authority

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	300.7	6,665	716,782	723,447
<b>Total Maintenance Level</b>	322.3		913,592	913,592
Difference	21.6	(6,665)	196,810	190,145
Percent Change from Current Biennium	7.2%	(100.0)%	27.5%	26.3%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(322.3)		(913,592)	(913,592)
Consolidated Drug Purchasing	2.0		1,285	1,285
Scheduled Expansion of the Basic Health Plan				
Health Insurance - Childless Adults (Below 200% of Poverty Level)				
Health Insurance - Childless Adults (Below Poverty Level)				
Health Insurance - Adults with Dependents Not Enrolled in BHP	16.6		122,460	122,460
Health Insurance - Parents with Children in BHP (Below 200% of Poverty Level)	13.5		96,722	96,722
Health Insurance - Parents with Children in BHP (Below Poverty Level)	12.5		95,667	95,667
Health Insurance - Children (Below 200% of Poverty Level)	8.0		21,869	21,869
Health Insurance - Children (Below Poverty Level)	97.9		39,805	39,805
Community Health Services	4.7		41,107	41,107
Health Care Planning	12.0		2,587	2,587
Public Employee Health Care Services	69.6		10,610	10,610
Uniform Dental Plan			9,142	9,142
Uniform Medical Plan	26.9		29,681	29,681
Washington State Health Insurance Pool (WSHIP) Premium Discount Program			879	879
Employee-related and Internal Service Cost Adjustments			757	757
Staff Reductions and Operating Efficiencies	(10.2)		(498)	(498)
<b>Subtotal</b>	(68.8)		(441,519)	(441,519)
<b>Total Proposed Budget</b>	253.5		472,073	472,073
Difference	(47.2)	(6,665)	(244,709)	(251,374)
Percent Change from Current Biennium	(15.7)%	(100.0)%	(34.1)%	(34.7)%

#### **Consolidated Drug Purchasing**

Three state agencies that engage in major prescription drug purchasing will develop a preferred drug list and consolidate their purchasing where possible. The agencies are the Department of Social and Health Services (Medical Assistance Administration), the Health Care Authority, and the Department of Labor and Industries. Savings will be gained by purchasing drugs that are proven to be the most cost-effective. This item represents the administrative cost of operating the program. Reimbursements will be made to the Health Care Authority for the other agencies' share of the cost. (State Health Care Authority Administrative Account-State, Health Services Account-State)

#### **Scheduled Expansion of the Basic Health Plan**

This activity represents the cost of the Basic Health Plan's scheduled expansion in 2003-05 by 20,000 enrollees to be funded with the Initiative 773 revenues deposited to the Health Services Account.

This activity has been eliminated. (\$93 million, Health Services Account-State)

#### **Health Insurance - Childless Adults (Below 200% of Poverty Level)**

The Basic Health (BH) Plan provides a basic health insurance package for people who are otherwise uninsured. The state offers reduced rates for low-income Washington residents and the non-citizen population served by state Medicaid until 2002. Enrollees also pay portions of the premium costs based on income level and family size. The Basic Health Plan covers 21,520 childless adults with incomes between 100 and 200 percent of the Federal Poverty Level (FPL). (Health Services Account-State, Basic Health Plan Trust Account-Non Appropriated)

This activity has been eliminated. (\$142 million, Health Services Account-State)

#### **Health Insurance - Childless Adults (Below Poverty Level)**

The Basic Health (BH) Plan provides a basic health insurance package for people who are otherwise uninsured. The state offers reduced rates for low-income Washington residents and the non-citizen population served by state Medicaid until 2002. Enrollees also pay portions of the premium costs based on income level and family size. The Basic Health Plan covers 38,233 childless adults with incomes less than 100 percent of the Federal Poverty Level (FPL). (Health Services Account-State, Basic Health Plan Trust Account-Non Appropriated)

This activity has been eliminated. (\$132 million, Health Services Account-State)

#### **Health Insurance - Adults with Dependents Not Enrolled in BHP**

The Basic Health (BH) Plan provides a basic health insurance package for people who are otherwise uninsured. The state offers reduced rates for low-income Washington residents and the non-citizen population served by state Medicaid until 2002. Enrollees also pay portions of the premium costs based on income level and family size. The Basic Health Plan covers 23,123 people with incomes up to 200 percent of the Federal Poverty Level (FPL) and who have dependents. (Health Services Account-State, Basic Health Plan Trust Account-Non Appropriated)

This level of spending assumes that increases in managed care rates will be tied to the Seattle Consumer Price Index.

#### **Health Insurance - Parents with Children in BHP (Below 200% of Poverty Level)**

The Basic Health (BH) Plan provides a basic health insurance package for people who are otherwise uninsured. The state offers reduced rates for low-income Washington residents and the non-citizen population served by state Medicaid until 2002. Enrollees also pay portions of the premium costs based on income level and family size. The Basic Health Plan covers 18,170 parents with incomes between 100 and 200 percent of the Federal Poverty Level (FPL) and who have children enrolled in Basic Health. (Health Services Account-State, Basic Health Plan Trust Account-Non Appropriated)

This level of spending assumes that increases in managed care rates will be tied to the Seattle Consumer Price Index.



**Health Insurance - Parents with Children in BHP (Below Poverty Level)**

The Basic Health (BH) Plan provides a basic health insurance package for people who are otherwise uninsured. The state offers reduced rates for low-income Washington residents and the non-citizen population served by state Medicaid until 2002. Enrollees also pay portions of the premium costs based on income level and family size. The Basic Health Plan covers 18,107 parents with incomes below 100 percent of the Federal Poverty Level (FPL) and who have children enrolled in Basic Health. (Health Services Account-State, Basic Health Plan Trust Account-Non Appropriated)

This level of spending assumes that increases in managed care rates will be tied to the Seattle Consumer Price Index.

**Health Insurance - Children (Below 200% of Poverty Level)**

The Basic Health (BH) Plan provides a basic health insurance package for people who are otherwise uninsured. The state offers reduced rates for low-income Washington residents and the non-citizen population served by state Medicaid until 2002. Enrollees also pay portions of the premium costs based on income level and family size. The Basic Health Plan covers 10,634 children who reside in families with incomes between 100 and 200 percent of the Federal Poverty Level (FPL). (Health Services Account-State, Basic Health Plan Trust Account-Non Appropriated)

This level of spending assumes that increases in managed care rates will be tied to the Seattle Consumer Price Index.

**Health Insurance - Children (Below Poverty Level)**

The Basic Health (BH) Plan provides a basic health insurance package for people who are otherwise uninsured. The state offers reduced rates for low-income Washington residents and the non-citizen population served by state Medicaid until 2002. Enrollees also pay portions of the premium costs based on income level and family size. The Basic Health Plan covers 10,789 children who reside in families with incomes less than 100 percent of the Federal Poverty Level (FPL). (Health Services Account-State, Basic Health Plan Trust Account-Non Appropriated)

This level of spending assumes that increases in managed care rates will be tied to the Seattle Consumer Price Index.

**Community Health Services**

The agency funds community health clinics through a direct grant program to promote and ensure access to medical, dental prevention, and illness care for the under-insured, uninsured, and migrant populations. Funding is further targeted to provide services to those health clinic patients who are below 200 percent of poverty to serve as the state's final safety net for low-income people. (Health Services Account-State)

The community health clinic grants for medical care are increased by \$22 million and will allow 42,500 additional people to be served in these settings.

**Health Care Planning**

The Health Care Authority engages in health care planning by conducting purchasing and policy studies; surveys, evaluations, impact analyses; and planning. This includes the planning and coordination of the annual health care procurement for the BH program and for public employees' benefits. (Health Services Account-State, State Health Care Authority Administrative Account-State)

**Public Employee Health Care Services**

The Health Care Authority's Public Employees Benefits Board (PEBB) was created by the 1988 legislature to develop state employee benefit plans, to study matters connected with the provision of these benefits, and to encourage cost containment. The PEBB Program provides health, life, longterm disability, accidental death and dismemberment, longterm care, auto and homeowners' insurance benefits for more than 254,000 Washington state and higher education active employees, dependents, and retirees, as well as 49,500 active and retired employees of participating public school districts, Educational Service Districts (K-12), and political subdivisions. PEBB offers members nine managed care health plans and the Uniform Medical Plan from which to choose. In addition, three dental plans are offered (two managed care and the Uniform Dental Plan). (State Health Care Authority Administrative Account-State)

#### **Uniform Dental Plan**

The Health Care Authority's Uniform Dental Plan (UDP) is Washington state's self-insured preferred provider dental plan, administered by Washington Dental Services (WDS). Offered to PEBB members since 1988, the UDP ensures that members in every county of the state have access to dental care, and allows members to choose any dentist. Costs shown include administrative expenses only. (State Health Care Authority Administrative Account-Non Appropriated)

#### **Uniform Medical Plan**

The Uniform Medical Plan (UMP) is a self-insured preferred provider medical plan which is offered to PEBB enrollees along with contracted managed care plans. With approximately 89,000 members, it is the largest of the PEBB medical plans. Coverage is available throughout Washington state and worldwide.

Nonappropriated funds from the UMP Benefits Administration Account support contracts for medical claims processing and pharmacy benefit management, including customer service for both enrollees and providers related to claims payment and other benefits issues; medical review and first level appeals; case management; disease management; pharmacy consultant services; data management systems, including detection of medical waste and fraud; access fees for alternative care and out-of-state provider networks; and enrollee communications.

Funds from the Health Care Authority Administrative Account support management of the UMP's provider network, including maintenance of contracts with approximately 16,000 health care providers; development of fee schedules and reimbursement policies; the UMP Medical Director; implementation of the Patients' Bill of Rights, including quality improvement and utilization management programs based on national standards; provider communications such as newsletters and billing manuals; oversight of claims administration contracts and other vendors; and overall plan administration. (State Health Care Authority Administrative Account-State, Uniform Medical Plan Benefits Administration Account-Non Appropriated)

#### **Washington State Health Insurance Pool (WSHIP) Premium Discount Program**

The Washington State Health Insurance Pool (WSHIP) provides funding to reduce the cost of high-risk pool insurance for individuals whose income is less than 300 percent of Federal Income Guidelines and who are between 50 and 64 years old. (Health Services Account-State)

#### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 120

## Human Rights Commission

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	51.9	5,426	1,669	7,095
<b>Total Maintenance Level</b>	51.4	5,434	1,715	7,149
Difference	(.5)	8	46	54
Percent Change from Current Biennium	(1.0)%	0.1%	2.8%	0.8%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(51.4)	(5,434)	(1,715)	(7,149)
Administration	8.0	1,928		1,928
Civil Rights Complaint Investigation	40.0	2,906	1,593	4,499
Civil Rights Education and Outreach	1.5		50	50
Commission Meetings	.4	27		27
Employee-related and Internal Service Cost				
Adjustments		76	70	146
Staff Reductions and Operating Efficiencies	(2.3)	(64)	(36)	(100)
<b>Subtotal</b>	(3.8)	(561)	(38)	(599)
<b>Total Proposed Budget</b>	47.7	4,873	1,677	6,550
Difference	(4.3)	(553)	8	(545)
Percent Change from Current Biennium	(8.2)%	(10.2)%	0.5%	(7.7)%

#### Administration

Administrative support provides the infrastructure to ensure that the core work of the agency can be done efficiently and effectively.

The administrative function is reduced by \$62,000.

#### Civil Rights Complaint Investigation

The mission of the Human Rights Commission is to enforce Washington State laws against discrimination. The Commission works to eliminate and prevent discrimination in employment, real estate transactions, credit and insurance transactions, and in places of public accommodation based on race, creed, color, national origin, sex, marital status, familial status, and disability throughout the state of Washington. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

A reduction of \$465,000 and 1.5 FTE staff years is made to the Civil Rights Complaint Investigation Program. This reduction will likely impact the response time to process citizen claims. It also impacts funding for administrative law judges from the Office of the Attorney General who hear cases where a reasonable cause finding has been issued and a settlement cannot be reached. A corresponding reduction of \$123,000 is made in the Attorney General's budget.

## HUMAN SERVICES - OTHER

### **Civil Rights Education and Outreach**

The Commission provides five free seminars statewide throughout the year. In addition, the Commission provides specially tailored training to employers, labor organizations, housing providers, and community groups upon request. (General Fund-Federal)

### **Commission Meetings**

The Governor appoints the five Human Rights Commissioners to staggered five-year terms. They provide the policy framework for the agency and appoint the Executive Director. Commissioners make the final determination on all complaints investigated by staff, except for those reasonable cause cases that are certified for hearing before an administrative law judge. The Commissioners meet monthly at locations around the state.

This activity is reduced by \$3,000. The reduction will impact how Commissioners communicate with the public and its ability to hear from diverse populations.

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 190

## Board of Industrial Insurance Appeals

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	159.8		30,115	30,115
<b>Total Maintenance Level</b>	163.8		30,695	30,695
Difference	4.0		580	580
Percent Change from Current Biennium	2.5%		1.9%	1.9%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(163.8)		(30,695)	(30,695)
Hearings	93.0		18,357	18,357
Mediation	36.3		6,195	6,195
Review	12.5		2,052	2,052
New Industrial Insurance Appeals Assessment	22.0		3,715	3,715
Employee-related and Internal Service Cost Adjustments			404	404
Staff Reductions and Operating Efficiencies	(4.8)		(224)	(224)
<b>Subtotal</b>	(4.8)		(196)	(196)
<b>Total Proposed Budget</b>	159.1		30,499	30,499
Difference	(.8)		384	384
Percent Change from Current Biennium	(0.5)%		1.3%	1.3%

### Hearings

The Hearings Section schedules and conducts formal hearings on all contested issues raised in an appeal. Hearings are formal legal proceedings following the civil rules applicable in the Superior Courts of Washington. At the conclusion of the hearings and the closing of the record, a judge will issue a written proposed decision and order containing findings of fact and conclusions of law on all contested issues. (Worker/Community Right to Know Account, Accident Account, Medical Aid Account)

### Mediation

The Mediation Program focuses on assisting parties in understanding the appeal process and reaching an agreed resolution, if possible. Unrepresented appellants are given an opportunity to discuss the issues involved in their appeal in an informal setting with a judge and a representative from the other party. Judges are trained mediators who have extensive knowledge of workers' compensation and other areas of the law, as well as in the practices and procedures of the Board. These skills and specialized knowledge are used to assist the parties in exploring options for resolution of the appeal. (Accident Account, Medical Aid Account)

### Review

If a party disagrees with the proposed decision issued by a hearing judge, the party can petition the three-member Board to review the decision. In the Review Program, judges assist board members in determining the appropriate action to take on petitions. Judges review the petition and the entire record of proceedings, then make recommendations to the Board. If the Board votes to review a proposed decision, the review judge will draft the final decision and order for the Board members' approval. (Accident Account, Medical Aid Account)

#### **New Industrial Insurance Appeals Assessment**

The New Appeals Section handles all aspects of the initial receipt and processing of new appeals received by the agency. Determinations are made whether to grant or deny appeals. Jurisdictional problems are identified and a jurisdictional history of the claim is developed. This history is used in mediation and hearings to establish the legal authority of the agency to hear the appeal. The section works closely with the Department of Labor and Industries (L&I) in assessing whether documents are protests, which are handled by L&I, or formal appeals. (Accident Account, Medical Aid Account)

#### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 227

**Criminal Justice Training Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	40.9		18,881	18,881
<b>Total Maintenance Level</b>	40.0		22,561	22,561
Difference	(.9)		3,680	3,680
Percent Change from Current Biennium	(2.2)%		19.5%	19.5%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(40.0)		(22,561)	(22,561)
Administration #	24.0		5,512	5,512
Basic Law Enforcement Academy	3.0		9,409	9,409
Corrections Training	3.0		2,441	2,441
Management Support for Public Law Enforcement Agencies			1,438	1,438
Professional Development	12.0		3,641	3,641
Prosecuting Attorney Training			316	316
Employee-related and Internal Service Cost Adjustments			88	88
Staff Reductions and Operating Efficiencies	(3.2)		(172)	(172)
<b>Subtotal</b>	(1.2)		112	112
<b>Total Proposed Budget</b>	38.8		22,673	22,673
Difference	(2.1)		3,792	3,792
Percent Change from Current Biennium	(5.1)%		20.1%	20.1%

**Administration #**

The Administration Division provides guidance and support to the training activities conducted by the Criminal Justice Training Commission (CJTC). The Administration Division also includes the functions of the commission, the Law Enforcement and Corrections boards, the Executive Office, Information Services, Human Resources, Financial Services, the Operation Support Unit, Facilities, Quality Standards, and Certification/De-Certification. (Public Safety and Education Account-State)

Additional funds, \$310,000, are provided to implement legislation expanding the certification/de-certification professional standards for all correctional officers working in corrections settings within Washington State.

An additional \$150,000 is provided to allow the Commission to exercise its regulatory role of establishing and enforcing training standards for criminal justice practitioners. Agencies approved to deliver mandated training by the CJTC will be audited and monitored to ensure compliance with established standards of training.

### **Basic Law Enforcement Academy**

The State of Washington accomplishes its initial certification of all full-time peace officers through training at the Basic Law Enforcement Academy. State law mandates that all officers, deputies, and agents must begin basic training within six months of being hired by their respective agencies. The Academy's 720-hour curriculum covers all facets of training, including criminal law, criminal procedures, patrol procedures, crisis management, communication, community policing, ethics, defensive tactics, traffic, and firearms. Clients include all municipal police departments, all county sheriff's offices, four-year college and university police departments, the Department of Fish and Wildlife, the Washington State Gambling Commission, and the Liquor Control Board. (Public Safety and Education Account-State/Federal, Municipal Criminal Justice Assistance-Private/Local)

### **Corrections Training**

The Corrections Division provides state-mandated, initial entry level training for new institutional and community corrections workers for state, county, and local jurisdictions. Training is for personnel who provide for the custody, safety, and security of adult and juvenile prisoners in jails, penal institutions, and detention facilities, as well as for personnel who manage cases of offenders in the community on probation or parole. Approximately 1,000 students are trained annually in the Correction Officer, Adult Services, Juvenile Security Workers, Juvenile Services, and Work Release Academies. This training is mandated by state law to meet minimum essential initial training for persons contributing to the public safety by dealing properly with offenders in custody or in the community. (Public Safety and Education Account-State)

### **Management Support for Public Law Enforcement Agencies**

State funding is provided to the Washington Association of Sheriff's and Police Chiefs (WASPC), an organization that deals with common problems involved in the delivery of executive and management services to public law enforcement agencies, for the Uniform Crime Reporting Section. This section is responsible for four major statistical projects: Uniform Crime Reporting, Incident Based Reporting, Hate/Bias Crime Reporting, and Domestic Violence Reporting. Databases are maintained to record information on various crimes and used to provide statistical reports to the criminal justice community, Legislature, media, researchers, students, and private citizens. These databases also assist law enforcement as an investigative tool. WASPC is required to act as the permanent repository of records of investigative reports prepared by all law enforcement agencies in the state pertaining to sex offenders or sexually violent offenses. Funding is also provided to WASPC for a school mapping project in which maps of schools will be available electronically to emergency services. By maintaining various databases and records, WASPC provides valuable information to enhance public safety. (Public Safety and Education Account-State)

### **Professional Development**

The Division of Professional Development is responsible for developing and administering training for first level supervision, middle management, and executive management personnel in law enforcement and state and local corrections. These training requirements are mandated by state law and must be completed within the allotted timelines as a condition of maintaining a specific rank. It is critical that law enforcement and corrections supervisors, managers, and executives receive training after basic academy training. Training on domestic violence and sexual assault investigation, regional training, methamphetamine investigation, and training to coroners, defense, and municipal attorneys is also provided. (Death Investigations Account-State, Public Safety and Education Account-State)

### **Prosecuting Attorney Training**

Prosecuting attorneys and their staff fall within the purview of the CJTC. In accordance with an agreement between the Commission and the Washington Association of Prosecuting Attorneys (WAPA), WAPA is responsible for the full and complete administration and conduct of training programs for prosecuting attorneys, deputy prosecuting attorneys, and their support personnel. In addition to training, WAPA is responsible for the updating and maintenance of existing manuals, and complete development of any new training manuals. (Public Safety and Education Account-State)



**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 235

## Department of Labor and Industries

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	2,751.4	11,430	459,051	470,481
<b>Total Maintenance Level</b>	2,661.6	11,731	465,636	477,367
Difference	(89.8)	301	6,585	6,886
Percent Change from Current Biennium	(3.3)%	2.6%	1.4%	1.5%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(2,661.6)	(11,731)	(465,636)	(477,367)
Actuarial Services	7.0		1,221	1,221
Administration	262.6		41,053	41,053
Administration WISHA Services	2.5		1,317	1,317
Apprenticeship	15.1		3,348	3,348
Claims Appeal	39.6		4,674	4,674
Claims Management	450.9		56,893	56,893
Collections	77.9	10	8,763	8,773
Compensation of Crime Victims	45.0		30,641	30,641
Consultation - Other	59.0		7,274	7,274
Consultation - Safety and Health	58.0		7,420	7,420
Contractor Registration	43.8	5,441	100	5,541
Electrical	203.0		27,077	27,077
Elevator Inspection	24.9	3,281	312	3,593
Employer Services	172.8		17,296	17,296
Employment Standards	37.6		5,056	5,056
Factory Assembled Structures	23.4	3,057		3,057
Federal-State Operations - WISHA	13.0		1,719	1,719
Field Office Support Cost Pool	154.9		24,768	24,768
Health Services Analysis	94.0		13,898	13,898
Information Services	193.8	66	74,714	74,780
Innovations - WISHA	8.9		3,114	3,114
Insurance Services Administration	4.0		8,942	8,942
Investigations	44.0		4,770	4,770
Legal Services		44	33,902	33,946
Office of the Medical Director	15.0		3,454	3,454
Plumbers	9.0		1,185	1,185
Policy and Quality Coordination	56.0		6,024	6,024
Policy and Technical Services	47.0		8,069	8,069
Pressure Vessel	19.0		2,674	2,674
Provider Fraud Unit	9.1		1,268	1,268
Reassumptions Hearings and Discriminations	11.0		1,420	1,420
Retrospective Rating	15.0		1,616	1,616
Specialty Compliance Services Administration			226	226
Self Insurance	81.6		9,348	9,348
SHARP Program	19.0		4,622	4,622
Special Projects	6.0		768	768
Standards and Information Services	28.2		3,442	3,442
Support Services	155.0		13,536	13,536
Third Party	14.4		1,741	1,741
Training and Outreach - WISHA	18.0		1,964	1,964

	Annual FTEs	General Fund State	Other Funds	Total Funds
WISHA Compliance - Regions Only	141.7		18,803	18,803
Employee-related and Internal Service Cost Adjustments		230	10,641	10,871
Staff Reductions and Operating Efficiencies	(78.7)	(124)	(3,586)	(3,710)
Self-Insurance Premiums			725	725
<b>Subtotal</b>	<b>(59.7)</b>	<b>274</b>	<b>576</b>	<b>850</b>
<b>Total Proposed Budget</b>	<b>2,601.9</b>	<b>12,005</b>	<b>466,212</b>	<b>478,217</b>
Difference	(149.5)	575	7,161	7,736
Percent Change from Current Biennium	(5.4)%	5.0%	1.6%	1.6%

### Actuarial Services

Because Washington is an exclusive state fund workers' compensation state, the Department of Labor and Industries (L&I) must act as a Workers' Compensation Rating Bureau and a large insurance company. Actuarial Services provides accurate and timely actuarial information in these roles using generally accepted actuarial principals. Actuaries recommend and calculate the classification rates used to assess employer premiums, and design and maintain the experience rating and retrospective premium rating systems, which annually calculate the assessed premiums and refunds. Actuaries estimate insurance liabilities and are involved in major financial decisions. They calculate the insurance benefit reserves, premium receivables, and the retrospective rating refund reserve on a statutory reporting basis. Pension tables, based on the experience of state fund claims, are created and updated in order to calculate pension reserve amounts charged to employer accounts. Financial statements on a statutory reporting basis are also produced regularly to help calculate premium rates. Actuaries prepare financial forecasts, forecast fund cash flows, analyze and monitor fund solvency, participate in recommendations of asset allocation, and help analyze the insurance operations. (Accident Account, Medical Aid Account)

### Administration

The Administration Program provides support services to all divisions of L&I. The program administers all federal and state statutes, rules, and agency policies that are not specific statutory duties of the department's operating divisions. The program provides information to large segments of the general public, including individual employers, employer groups, labor organizations, concerned citizens, state agencies, the Legislature, and other states or political subdivisions. Other functions include management, procurement, warehouse, accounting services, vendor pay, cashier office, budget, contracts, administrative policy coordination, risk management, and public disclosure. (Accident Account-State, Accident Account-Federal, Medical Aid Account-State, Medical Aid Account-Federal, Public Safety and Education Account, Worker/Community Right to Know Account)

L&I is developing an enterprise accounts receivable system. This system will combine the 16 separate accounts receivable systems within the agency for greater accountability and reconciliation with the state accounting system. An outside auditor will perform audit work on the new system. This is a one-time cost of \$81,000.

### Administration WISHA Services

Washington is required by statute and the State Constitution to have a workplace safety and health program, including the adoption and enforcement of laws to protect over 2.6 million workers. The Washington Industrial Safety and Health Act (WISHA) Services program includes Industrial Safety and Health, and administration of WISHA, an approved state plan program authorized, regulated, monitored, and partially funded by the federal Occupational Safety and Health Administration (OSHA). The WISHA program is responsible for program and policy development, and statewide oversight of all services and programs provided by WISHA, including significant interaction with the department's Field Services Administration and Director's Office, as well as the Governor, the Legislature, and numerous business associations and labor organizations. The Assistant Director of this program chairs the statutorily-required WISHA Advisory Committee, which advises the department on rule making, policies, and other initiatives, and ensures coordination and presentation of the annual Governor's Industrial Safety and Health Conference. (Accident Account, Medical Aid Account)

### **Apprenticeship**

Apprenticeship provides a way to ensure that a qualified workforce exists for employers. The Apprenticeship Program serves as the administrative arm of the Washington State Apprenticeship and Training Council. The program manages, promotes, and ensures compliance regarding apprenticeship. (General Fund-Federal, Accident Account, Medical Aid Account)

A technical adjustment is made to transfer the federal funding from General Fund-Federal to the Accident Account and the Medical Aid Account to reflect actual fund source distributions. (General Fund-Federal, Accident Account-Federal, Medical Aid Account-Federal)

### **Claims Appeal**

Workers, employers, and providers have the right to appeal workers' compensation decisions. L&I reviews these appeals before they go to the Board of Industrial Insurance Appeals. The Claims Appeals Program reviews more than 9,000 formal appeals annually which object to determinations made by claims adjudicators. The office serves as the last level of administrative review and adjudication within the department prior to formal litigation, and also serves as the single agency point of contact for all matters relating to litigation at the Board of Industrial Insurance Appeals and the court system. (Accident Account, Medical Aid Account)

Claims Appeals will add 1.9 FTE staff years for a cost of \$280,000. These additional FTE staff years will improve the timeliness of the reconsideration process and reduce the backlog of cases.

### **Claims Management**

About 165,000 workers' compensation claims for on-the-job injuries and illnesses are filed with L&I each year. Claims Administration receives and manages all industrial insurance claims, except self-insurance claims. Claim managers examine claims, determine eligibility, and authorize payment for treatment and lost wages. For adjudication purposes, 28 separate units administer all aspects of the claims. Claims Administration authorizes medical treatment and vocational rehabilitation services, compensates workers in time-loss benefits for wages lost while off work, or awards permanent partial disability as a result of a job-related injury or illness. Decisions made on workers' compensation claims are communicated in writing to the worker, employer, and doctor. Claims Administration also reviews and resolves claim protests by aggrieved parties. (Accident Account, Medical Aid Account)

In the 2001-2003 Biennium, L&I conducted a feasibility study of methods to exchange claim related information electronically with employers, health care providers, and workers. The feasibility study also supported a comprehensive new system for electronic management of workers' compensation claims and employer information. The Online Reporting and Customer Access Project (ORCA) will provide customers the ability to exchange information and establish and manage workers' compensation claims online 24 hours a day. The cost to implement this online availability of information is \$9.923 million. (Accident Account, Medical Aid Account)

### **Collections**

The Revenue Officers in the six regions and in Specialty Collections at the central office are responsible for all collections activity related to employers who do not pay proper workers' compensation premiums or do not pay fines for worker safety violations. (General Fund-State, Accident Account, Medical Aid Account)

Collections, Third Party, Provider Fraud and Firm Appeals share a common responsibility to support L&I by making sure employers pay their premiums, responsible parties pay for the damage they cause, fraud is kept to a minimum, and appeals are handled in a timely manner. Collections will add 4.4 FTE staff years at a cost of \$606,000. The additional staff will increase annual collections by \$2.5 million.

L&I is developing an enterprise accounts receivable system. This system will combine the 16 separate accounts receivable systems within the agency for greater accountability and reconciliation with the state accounting system. Collections will add 7.0 FTE staff years to help develop this system based on input from users of the system across the state. The cost for these staff members is \$849,000.

### **Compensation of Crime Victims**

Some victims of crime in Washington are unable to pay for medical care or to make up for lost wages. The Crime Victims' Compensation Program provides financial assistance to help these crime victims. This program also is responsible for paying all costs incurred by hospitals or emergency medical facilities in connection with sexual assault examinations throughout the state. (Public Safety and Education Account-State, Public Safety and Education Account-Federal)

Revenue collected by Department of Corrections for the Crime Victims Compensation Program has been recorded as a Private/Local fund source. Under the new Office of Financial Management definitions of revenue codes, this revenue should be reported as a state fund source. The private local fund source is transferred to the state source for the Public Safety and Education Account. Also the General Fund-State appropriations of \$108,000 is transferred to the Public Safety and Education Account.

L&I is developing an enterprise accounts receivable system. This system will combine the 16 separate accounts receivable systems within L&I for greater accountability and reconciliation with the state accounting system. The amount needed to add the crime victims program to the new accounts receivable system is \$252,000 from the Public Safety and Education Account.

### **Consultation - Other**

The Department of Labor and Industries is committed to working collaboratively with employers and employees to minimize the costs of their workers' compensation premiums. The Regional Consultation Programs provide advice on a wide variety of topics, including identifying ways to reduce an employer's workers' compensation costs and assisting companies to make changes to an employee's job so that an injured worker can return to work. Consultants perform workplace evaluations that include an analysis of the employer's processes to manage claims after a workplace injury occurs. Consultants provide the employer with a written report of their findings and recommendations. They also address workplace conditions that can aid an injured worker in returning to work and also reduce potential increases in an employer's workers' compensation premiums. (Accident Account, Medical Aid Account)

### **Consultation - Safety and Health**

The Department of Labor and Industries is committed to working collaboratively with employers and employees to reduce safety and health hazards at their work sites. The Regional Consultation Programs provide advice on a wide variety of topics, including recommending methods to abate violations of safety and health standards. Consultants perform workplace evaluations including hazard surveys, and provide the employer with a written report of their findings and recommendations. While consultants must verify the correction of any hazards that could cause serious injuries to employees, by law, no citations are issued or penalties assessed. Consultants also conduct education and training workshops for employers and employees to help them become self-sufficient in keeping their workplaces free of hazards. (Accident Account, Medical Aid Account, Worker/Community Right to Know Account)

### **Contractor Registration**

Registration of contractors provides consumer protection because it requires a minimum level of bonding and insurance coverage. The Contractor Registration Program protects homeowners, as well as companies supplying labor, materials, or equipment, from unreliable, fraudulent, financially irresponsible, or incompetent construction contractors. In addition, construction compliance inspectors make random site visits and respond to complaints from homeowners, material suppliers, and other contractors. Ensuring compliance not only protects consumers, but also creates a level playing field for contractors. (General Fund-State, Accident Account, Medical Aid Account)

L&I is developing an enterprise accounts receivable system. This system will combine the 16 separate accounts receivable systems within the agency for greater accountability and reconciliation with the state accounting system. The amount needed to add the Contractor Registration Program to the new accounts receivable system is \$136,000 General Fund-State.

### Electrical

The Electrical Program provides public safety in regards to electrical installations and the competency of individuals performing electrical work. The program establishes qualifications, administers a variety of examinations, and issues electrical certificates and licenses. The program also examines and accredits electrical product-testing laboratories; monitors the amusement-ride industry for structural and mechanical safety; and inspects electrical wiring and installations in all industrial, commercial, institutional (schools), and residential construction. (Electrical License Account)

### Elevator Inspection

The Elevator Program protects the people of the state from damage to life or health, or from economic loss caused by unsafe conditions in elevators and other types of conveyances. The program inspects all new and altered elevators and conveyances, as well as providing annual safety inspections on all elevators and other conveyances, including grain elevators. (General Fund-State, Accident Account, Medical Aid Account)

L&I is developing an enterprise accounts receivable system. This system will combine the 16 separate accounts receivable systems within the agency for greater accountability and reconciliation with the state accounting system. The amount needed to add the Elevator Inspection Program to the new accounts receivable system is \$161,000 General Fund-State.

### Employer Services

Employers and workers pay premiums to fund the costs of workers' compensation medical benefits, time loss, and other benefits for injured and ill workers. Employer Services is responsible for generating the income needed to pay these benefits and other costs. Employer Services staff is responsible for establishing and maintaining employer accounts, including assigning risk classifications for the purpose of pricing the coverage; processing premium reports; adjusting employer rates; and assigning claims to appropriate employer accounts. The Field Audit Program is responsible for verification of correct employer reporting and payment of premiums. The program performs employer/employee relationship investigation for claims initiation; identification of unregistered employers functioning in the underground economy; as well as provides education to employers about their industrial insurance reporting responsibilities. The Classification Services Section in Employer Services ensures appropriate classification is assigned and premiums collected, to maintain the financial stability of the state fund. (Accident Account, Medical Aid Account)

### Employment Standards

Employers in the state of Washington must abide by rules and regulations concerning wage payments and working conditions. The Employment Standards Program promotes and enforces fair labor practices in the state. The program's industrial relations agents act as the primary points of contact for workers who have not been fairly compensated for work performed. In addition, the program ensures that minors in the workplace are safe and not performing specific prohibited duties. The Prevailing Wage Program establishes prevailing wages and ensures these wages are paid on public works projects. (Accident Account, Farm Labor Revolving Account, Medical Aid Account, Public Works Administration Account)

### Factory Assembled Structures

The Factory-Assembled Structures Program is divided into four service delivery areas to ensure the safety of those who use factory-assembled structures. The manufactured housing group performs in-plant inspections at manufacturing facilities using United States Department of Housing and Urban Development standards; inspects alterations to manufactured homes; provides plan-review services for alterations; and has audit and penalty authority to further ensure public safety in altered manufactured homes. The factory-built housing and commercial structures group performs plan reviews and inspects manufacturing processes to ensure structures are in compliance with the state building codes. Structures include personal residences, portable classrooms, hazardous-storage buildings, and offices. The department also works with and provides consultation to local jurisdictions regarding factory-built housing and commercial structures. The commercial coaches group performs plan reviews and in-plant inspections both in-state and out-of-state. The recreational vehicle and recreational park trailers group performs plan reviews for new recreational vehicles and park trailers sold in the state, and conducts quality-control inspections nationwide and in Canada for manufacturers who build products to sell in Washington. Inspections are also performed on in-state retail lots to ensure compliance with nationally recognized safety standards.

L&I is developing an enterprise accounts receivable system. This system will combine the 16 separate accounts receivable systems within the agency for greater accountability and reconciliation with the state accounting system. The amount needed to add the factory assembled structures program to the new accounts receivable system is \$119,000 General Fund-State.

#### **Federal-State Operations - WISHA**

The Department of Labor and Industries enforces federal and state workplace safety and health laws. The Federal State Operations (FSO) program is the department's primary liaison with the federal Occupational Safety and Health Administration (OSHA). FSO ensures federal requirements are met so that Washington remains eligible for federal grant funds. FSO has broad responsibilities for policy development, and monitoring and oversight of Washington Industrial Safety and Health Act (WISHA) programs and functions. FSO develops and maintains the WISHA policy manuals; manages the OSHA grant and state plan issues; coordinates legislation and budget activities; staffs the WISHA Advisory Committee; investigates and responds to complaints filed about state program administration; and consults with the Attorney General's Office on litigation of major interest. The Safety and Health Appeals Program administers statewide employer and employee appeals of WISHA citations and penalties; and provides technical assistance and oversight for regional hearings officers. The WISHA Discrimination Investigation Program administers complaints from employees who allege they were discriminated against for participating in safety and health activities in the workplace; screens complaints; settles or assigns complaints for further investigation; provides technical assistance and training to field investigators; reviews completed cases; recommends merit or non-merit determinations; and consults with the Attorney General's Office on discrimination cases. (Accident Account, Medical Aid Account)

#### **Field Office Support Cost Pool**

Field Services Support delivers services to walk-in and phone customers at the agency's 22 local offices. Staff responds to inquiries and requests for information from the public about the WISHA and other agency services. Program personnel are often the first and only point of contact for customers seeking answers to questions about correcting a workplace hazard, filing a wage claim or a claim for on-the-job injuries, reviewing current or proposed standards, attending occupational safety and health workshops; and meeting new licensing requirements. Staff provides data entry and support to meet federal reporting and record-keeping requirements; processes WISHA fines and forfeitures, licenses, permits and registrations; assists contractors to become properly licensed and outstanding infractions or citations resolved; and ensures timely processing of requests for inspections and/or permits. (Accident Account, Medical Aid Account, Worker/Community Right to Know Account)

#### **Health Services Analysis**

Medical and vocational providers play a key role in helping injured workers recover and return to work. Health Services Analysis supports industrial insurance through research, development, implementation, and management of strategies that prevent long-term disability and ensure access to and provision of cost-effective, quality health care and vocational services for occupationally ill and injured workers. (Accident Account, Medical Aid Account)

L&I annually spends \$16 million on Independent Medical Examinations (IME) for injured workers. When the exams do not provide the necessary information to make a decision, the medical costs and treatment can be delayed, which can increase costs. This quality assurance program will allow for a systematic review of IMEs by independent peer professionals. These reviews will result in quality IME's which will reduce the number of repeat exams and provide better information for decisions on injured workers. The cost of this program is \$398,000. (Medical Aid Account)

#### **Information Services**

The agency depends on computing resources to perform almost all day-to-day work activities. Information Services provides these resources, working closely with all business units, using an Information Technology Portfolio Management approach. This approach helps ensure that the services provided are aligned with the state infrastructure, as well as the agency mission, mandates, business priorities, and on-going initiatives to streamline services to the public. (General Fund-State, Accident Account, Electrical License Account, Medical Aid Account, Plumbing Certificate Account, Pressure Systems Safety Account, Public Safety and Education Account, Public Works Administration Account)

## HUMAN SERVICES - OTHER

L&I is developing an enterprise accounts receivable system. This system will combine the 16 separate accounts receivable systems within the agency for greater accountability and reconciliation with the state accounting system. Information Services will add 2.8 FTE staff years in Fiscal Year 2004 and 3.0 FTE staff years in Fiscal Years 2005 for project management. The amount needed to fund the FTE staff years and the programming cost for the new accounts receivable system is \$4,514,000. (Accident Account, Medical Aid Account)

### Innovations - WISHA

L&I has developed a new effort to redesign the format and presentation of WISHA safety and health rules to make them easier to use and understand, and more accessible to employers and employees. The Standards and Information Program is responsible for coordinating the selection, redesign, and promulgation of the revised standards, including the extensive work required with stakeholders. The legislatively-funded innovations project includes an outreach and training component developed and administered through the Training and Outreach Program, with technical assistance provided by the WISHA Policy and Technical Services Program. (Accident Account, Medical Aid Account)

### Insurance Services Administration

The overall management of medical and time loss claims within L&I is directed by the Insurance Services Administration, including oversight of the workers' compensation system and the Crime Victims' Compensation Program (CVC), as well as regulating the activities of employers who qualify to self-insure in providing workers' compensation coverage. The Workers' Compensation Program provides protection to all covered workers and employers in Washington, while the CVC program provides financial assistance to crime victims in cases where bodily injury, mental trauma, or death results from criminal acts. The Insurance Services administrator serves as the Chief Operating Officer and Chief Executive Officer of the Washington State Workers' Compensation Insurance Fund. (Accident Account, Medical Aid Account)

### Investigations

Although most workers' compensation claims are legitimate, some fraudulent and other illegal activities occur. The statewide Investigations Program provides timely, accurate information and evidence to support and enable the department to make adjudications and to implement anti-discrimination provisions. The industrial insurance adjudications supported by investigative information include worker fraud, claim validation, rejection and management, worker employability, pension and survivor benefits, and discrimination complaints. The program reviews information, assesses the strength of cases, and recommends appropriate action. Field investigators, in both industrial insurance and worker safety cases, develop evidence through surveillance, background checks, interviews, and subpoenas of business and/or bank records. Evidence is analyzed with regard to sufficiency for civil and criminal action. Fraud adjudicators issue orders to recover money in fraudulent claims and make recommendations to claim managers regarding overpayments and other claims management issues. (Accident Account, Medical Aid Account)

### Legal Services

Workers and employers have the right to appeal decisions made by L&I. The Legal Services Program provides legal advice and representation for the department in litigation at the Board of Industrial Insurance, administrative hearings under the Administrative Procedures Act, and in Superior and Appellate Courts. Primary litigation activities of the program conducted by the Office of the Attorney General occur in the state courts and before administrative agencies in defense of department orders and actions. Program decisions are the responsibility of the department, but such decisions must be based upon sound and consistent legal analysis. Litigation and alternative dispute resolution procedures must be built into department strategies so that the department's decision-making authority is exercised effectively and fairly. This program supports the legislative activities of the agency, including bill analysis and agency request legislation, as well as administrative rule making. (General Fund-State, Accident Account, Electrical License Account, Medical Aid Account, Pressure Systems Safety Account, Public Safety and Education Account)

Litigation costs which include expert witness fees, fees for court reporters, and transcripts continue to increase to support legal actions by the Attorney General's Office. These litigation costs would be charged against claims and paid out of the nonappropriated funds. This will reduce the appropriation for the legal services activities by \$3,182,000. (Accident Account, Medical Aid Account)



### **Office of the Medical Director**

The Office of the Medical Director ensures the quality of medical care for injured and ill workers, and that such care is evidence-based and meets national and community standards. (Medical Aid Account)

### **Plumbers**

Because there is a public safety element to proper plumbing installation and repair, the Plumber Certification Program establishes rules for the examination and certification of plumbers in the state. The program administers exams, reviews trainee hours, processes new certifications, and renews ongoing certifications. Inspectors also visit job sites to ensure compliance and respond to consumer complaints. (Plumbing Certificate Account)

### **Policy and Quality Coordination**

The Policy and Quality Coordination Program provides training to claim managers for managing complex workers' compensation claims, as well as coaching and mentoring for experienced claim managers. The program also is in charge of quality assurance for workers' compensation claims and the awarding of permanent disability and survivor pensions when a worker is killed on the job. (Accident Account, Medical Aid Account)

### **Policy and Technical Services**

Workplace safety and health issues can be complex and require expert technical guidance and laboratory services. The Policy and Technical Services program (P&TS) provides technical guidance, enforcement policy, and standards interpretation to regional staff and employers. P&TS provides program support to the regions for consultation, compliance and risk management, including the provision of laboratory services. Responsibilities also include technical expertise for the content of standards and internal and external training; policy development through regional directives; developing targeting protocol; investigation and determination of employer requests for a variance from standards; conducting regional performance audits; certification and licensing functions for asbestos, explosives, and certain maritime activities; the Voluntary Protection Program; the Construction Advisory Committee; and Industrial Insurance/WISHA Monitoring Committee. The WISHA Laboratory provides analysis of complex toxic dust and chemical samples retrieved from the workplace; analytical services; repair and maintenance of sampling instruments; chemical information; technical assistance; and an important link in the inter-relationship of the various laboratories of state agencies. Ergonomics staff oversees and coordinates implementation of Washington's comprehensive ergonomics rule, working in partnership with employer and employee representatives to develop educational materials and resources, industry best practices, demonstration projects, and to test enforcement policies and procedures. (Accident Account, Asbestos Account, Medical Aid Account, Worker/Community Right to Know Account)

### **Pressure Vessel**

The Boiler/Pressure Vessel Program ensures public and worker safety by overseeing the safe operation of more than 100,000 boilers and pressure vessels in the state. The program directly inspects 25,000 boiler/pressure vessels, and oversees and monitors insurance company inspectors who perform the remaining inspections. To further enhance public and worker safety, a new, formalized permitting process has been authorized that will keep the department better informed of new installations. (Pressure Systems Safety Account)

### **Provider Fraud Unit**

The Provider Fraud Investigation Program audits, investigates, and gathers information on alleged frauds and abuse. The program identifies fraudulent billing practices, pursues leads, and recommends methods to prevent fraudulent activities. Investigators and auditors investigate and take action to remove providers who defraud the workers' compensation system, including preparing criminal cases and assisting in prosecution of fraudulent activities. Investigators develop evidence through the extensive review of billing records and medical chart notes, as well as through surveillance, interviews, background checks, search warrants, and subpoenas of business, bank, and medical records. Evidence is analyzed with regard to sufficiency for civil and/or criminal action. (Accident Account, Medical Aid Account)

## HUMAN SERVICES - OTHER

Collections, Third Party, Provider Fraud, and Firm Appeals share a common responsibility to support L&I by making sure employers pay their premiums, responsible parties pay for the damage they cause, fraud is kept to a minimum, and appeals are handled in a timely manner. Provider Fraud will add 1.9 FTEs for a cost of \$268,000. These additional FTE staff years will investigate more cases of fraud and recover more funds for the workers' compensation system. At least \$1 million dollars per year in fraudulent billings will be identified by these additional FTE staff years.

### **Reassumptions Hearings and Discriminations**

Employers have a statutory right to appeal safety and health citations and penalties, as well as the date by which employers must correct cited violations. The Safety and Health Appeals Program is administered by the WISHA central office. Reassumption hearings and settlement negotiations are conducted by regional hearings officers who are supervised by regional compliance managers. Staff receives technical assistance and oversight from the appeals manager in the Federal-State Operations unit. (Accident Account, Medical Aid Account)

### **Retrospective Rating**

Employers insuring with the state fund are provided economic incentives to improve workplace safety and injured worker outcomes through the state's retrospective rating program. Employers who are successful in preventing injuries to their employees and reducing the severity of injury when it does occur are returned a portion of the workers' compensation premiums they pay. Most employers who participate in retrospective rating do so as members of retrospective rating groups sponsored by trade associations. (Accident Account, Medical Aid Account)

### **Specialty Compliance Services Administration**

Nine programs within Specialty Compliance Services (SCS) require administrative support. The operations team facilitates and sets strategic, legislative, regulatory, policy, and fiscal direction for the programs. SCS also manages infractions, penalties, and the revenue-collection process for many of the programs, as well as information technology needs. (Accident Account, Medical Aid Account)

### **Self Insurance**

Workers of self-insured employers are entitled to the same rights and benefits as those workers insured under the state fund. The Self Insurance Section ensures that workers of self-insured employers receive the workers compensation benefits to which they are entitled. In addition, the department collects annual assessments from self-insurers to fund benefits to workers. (Accident Account, Medical Aid Account)

### **SHARP Program**

Research conducted by the Safety and Health Assessment and Research for Prevention (SHARP) Program is a critical resource for employers and employees in addressing complex workplace safety and health issues. SHARP combines expertise in epidemiology, industrial hygiene, ergonomics, toxicology, economics, safety engineering, and occupational health to develop and test viable injury and illness prevention methods. Projects have focused on a variety of industries, hazards, and work-related injury/illnesses; identifying/transferring solutions and evaluating the impact of agency interventions. SHARP is a scientific resource for employers, business, and labor associations, in addition to health, safety, and medical professionals. SHARP helps employers develop their own expertise to address workplace health and safety issues, and provides scientific and technical expertise in support of agency rulemaking. (Accident Account-State, Accident Account-Federal, Medical Aid Account-State, Medical Aid Account-Federal)

### **Special Projects**

Some services and functions within the Insurance Services Division are consolidated to provide the most cost-effective support. The Special Projects Program provides a wide range of support and development services to the division's programs and external customers. (Accident Account, Medical Aid Account)

### **Standards and Information Services**

WISHA is required by statute to develop and adopt safety and health standards governing the conditions of employment in all workplaces, and which are at least as effective as those adopted or recognized by the United States Secretary of Labor under the authority of the Occupational Safety and Health Act of 1970 (OSHA). Standards and Information Services staff promulgates, prints, and distributes standards, as well as collects statutorily-imposed employer Right-to-Know fees, provides computer application services to a wide array of program staff, and maintains the computer system containing employer workplace safety records. Integrated Management Information System (IMIS) staff performs duties mandated by OSHA, including data entry, management data support, printing employer citation and notices, providing training and support for IMIS forms to all regional staff, and maintaining the WISHA file room which contains thousands of inspection and consultation legal records available to citizens through public disclosure. (Accident Account, Medical Aid Account, Worker/Community Right to Know Account)

### **Support Services**

More than seven million document pages concerning worker claims are received and processed by Support Services each year. Support Services handles this volume for the Insurance Services Division, and is comprised of several sub-units, including claims initiation teams, imaging teams, a micrographics and warrants section, word processing team, and an administrative support team. (Accident Account, Medical Aid Account)

### **Third Party**

When a worker is injured, the state pays workers' compensation benefits whether the worker or the employer is at fault. However, in some cases, a third party may be partially or completely responsible for the accident, such as the manufacturer of faulty equipment. If an L&I accident investigation indicates the possibility of third party liability, the agency attempts to recover damages from the third party. The Third Party Unit recovers costs of workers' compensation claims from liable parties; the money is returned to the state fund. (Accident Account, Medical Aid Account)

Collections, Third Party, Provider Fraud, and Firm Appeals share a common responsibility to support L&I by making sure employers pay their premiums, responsible parties pay for the damage they cause, fraud is kept to a minimum, and appeals are handled in a timely manner. Third Party will add 1.0 FTE staff year at a cost of \$149,000. This investigator will increase the recovery of benefits by \$600,000 per year.

### **Training and Outreach - WISHA**

Educating employers and employees regarding workplace safety and health is an important part of preventing injuries and illnesses. WISHA is required by statute to provide programs for occupational safety and health education for employers and employees. The Training and Outreach Program (T&O) develops, coordinates, monitors, and evaluates internal and external training, including developing curriculum and materials. T&O also works with business and labor associations and other potential safety and health trainers to leverage resources and to reach greater numbers of employers and employees. T&O maintains a video library, the WISHA Internet/Intranet web pages, and uses web-based technology to distribute safety and health tools and information. T&O works with other department staff and the Governor's Industrial Safety and Health Advisory Board to coordinate, promote, and present the annual Governor's Safety and Health Conference. (Accident Account, Medical Aid Account)

The Safety and Health Impact Grant program can only continue when there are excess funds over the 10 percent contingency reserve. Since there will be no excess funds in the 2003-05 Biennium, this \$10 million dollar program is eliminated. (Medical Aid Account)

#### **WISHA Compliance - Regions Only**

A key part of ensuring that workplaces are safe is to conduct periodic unannounced safety inspections. WISHA Compliance is required by statute to inspect employers' workplaces without advance notice to determine whether employers are in compliance with WISHA safety and health standards. WISHA Compliance must conduct investigations of work-related fatalities and catastrophes, and conduct inspections or investigations in response to employee complaints. Violations of standards are cited and penalties may be assessed. WISHA Compliance officers and consultants must ensure that employers promptly eliminate situations causing imminent danger of death or serious injury to workers. If employers do not immediately correct hazards or remove employees from exposure to hazards, compliance officers and consultants must exercise their legal authority to issue an Order and Notice of Immediate Restraint. When necessary, consultants also exercise authority to ensure timely abatement of serious hazards. (Accident Account-State, Accident Account-Federal, Asbestos Account-State, Medical Aid Account-State, Medical Aid Account-Federal, Worker/Community Right to Know Account-State)

#### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

#### **Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 Biennium.

Agency 250

## Indeterminate Sentence Review Board

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	8.2	1,994		1,994
<b>Total Maintenance Level</b>	8.2	2,000		2,000
Difference		6		6
Percent Change from Current Biennium	0.0%	0.3%		0.3%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(8.2)	(2,000)		(2,000)
Indeterminate Sentencing System	8.2	1,950		1,950
Employee-related and Internal Service Cost				
Adjustments		58		58
Staff Reductions and Operating Efficiencies		(16)		(16)
<b>Subtotal</b>		(8)		(8)
<b>Total Proposed Budget</b>	8.2	1,992		1,992
Difference		(2)		(2)
Percent Change from Current Biennium	0.0%	(0.1)%		(0.1)%

### Indeterminate Sentencing System

The Indeterminate Sentence Review Board was responsible for phasing out the indeterminate sentencing system that was replaced by the Sentencing Reform Act of 1981. Under the old system, offenders were given both a minimum and maximum term. Between these two terms, the Board determines whether or not a release to the community is appropriate. Under the current system, sentences are determined by an offender's crime and past record. Offenders are released once they complete their sentences. Currently, a small number of offenders sentenced under indeterminate law remain incarcerated. The Board has been working to gradually release these offenders without jeopardizing public safety, and was scheduled to terminate in 2008. Effective September 2001, certain sex offenders were placed under Board jurisdiction, and the Board is no longer scheduled to terminate. An estimated 400 new cases per year are anticipated. These cases will be given a maximum sentence by a judge and a minimum within the standard range. The Board will decide at a hearing about 90 days prior to the expiration of the minimum term whether to release to community custody, supervision, or further incarcerate the offender for up to 24 months at a time. If released, the offender is under Department of Corrections supervision for the maximum term of the sentence and subject to return to incarceration by the Board in the event of violation(s). (General Fund-State)

Funding is reduced by \$50,000. The Board shall take actions to reduce operating costs.

## HUMAN SERVICES - OTHER

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 302

**Home Care Quality Authority****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1.6	152		152
<b>Total Maintenance Level</b>	5.0	543		543
Difference	3.5	391		391
Percent Change from Current Biennium	222.6%	257.2%		257.2%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(5.0)	(543)		(543)
Establishment of a Referral Registry of Individual Providers of Home Care	2.3	220		220
Serving as the Employer for Collective Bargaining Purposes for Home Care Workers	2.6	293		293
Employee-related and Internal Service Cost Adjustments		34		34
<b>Subtotal</b>	(.1)	4		4
<b>Total Proposed Budget</b>	4.9	547		547
Difference	3.4	395		395
Percent Change from Current Biennium	216.1%	259.9%		259.9%

**Establishment of a Referral Registry of Individual Providers of Home Care**

The Home Care Quality Authority is required by law to establish a referral registry of individual home care providers. In doing so, it must determine minimum qualifications, recruit providers, and offer training opportunities. It must also develop procedures to remove from the registry any provider who has committed misfeasance or malfeasance in the performance of his or her duties. Funding is provided to research potential ways to implement a referral registry. The Department of Social and Health Services covers the remaining 50 percent of the funding with federal Medicaid matching funds.

**Serving as the Employer for Collective Bargaining Purposes for Home Care Workers**

Established through voter approval in 2001, the Home Care Quality Authority acts as the employer for collective bargaining and quality control purposes for home care workers who provide services for the elderly and people with disabilities. It provides services to 25,000 individual care providers. Additional funding has been added for increased labor negotiation expertise. An interagency agreement with the Department of Social and Health Services covers the other 50 percent with federal Medicaid matching funds.

## HUMAN SERVICES - OTHER

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)



Agency 303

## Department of Health

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,183.5	113,882	542,947	656,829
<b>Total Maintenance Level</b>	1,267.6	119,766	577,425	697,191
Difference	84.2	5,884	34,478	40,362
Percent Change from Current Biennium	7.1%	5.2%	6.4%	6.1%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,267.6)	(119,766)	(577,425)	(697,191)
Chronic Disease Prevention and Health Promotion	72.8	5,853	85,148	91,001
Drinking Water Protection	159.2	7,721	28,580	36,301
Emergency Preparedness and Response	41.7	8,079	20,095	28,174
Environmental Health and Safety	112.6	3,463	14,987	18,450
Epidemiology and Assessment	87.3	7,111	24,889	32,000
Food Safety and Shellfish Protection	42.0	6,472	274	6,746
Health Systems/Public Health Systems Development *	70.9	11,631	29,611	41,242
Infectious Disease Programs #	76.2	37,539	44,138	81,677
Maternal and Child Health	141.0	27,077	256,258	283,335
Public Health Laboratory	123.0	8,212	16,149	24,361
Safety and Quality of Health Care Services	352.2	3,042	53,296	56,338
State Board of Health	6.3	1,028		1,028
Employee-related and Internal Service Cost Adjustments		1,194	1,955	3,149
Staff Reductions and Operating Efficiencies	(26.2)	(442)	(666)	(1,108)
<b>Subtotal</b>	(8.7)	8,214	(2,711)	5,503
<b>Total Proposed Budget</b>	1,258.9	127,980	574,714	702,694
Difference	75.5	14,098	31,767	45,865
Percent Change from Current Biennium	6.4%	12.4%	5.9%	7.0%

#### Chronic Disease Prevention and Health Promotion

The Chronic Disease Prevention and Health Promotion Programs work to reduce and prevent the effects of diseases and injuries that cause premature death and disability. Activities include public education on how to stay healthy, avoid disease and injury, and reduce the effects of some diseases. Programs contract with local health jurisdictions, community based organizations, direct service providers, and the media. Staff provide health education materials and information statewide, as well as assistance to local communities. Activities include tobacco prevention and control, addressing priority injury prevention issues, promoting regular physical activity and proper nutrition, diabetes prevention and control strategies, and breast and cervical cancer screenings and diagnostic services for eligible women, as well as capturing data on reportable cases of cancer; addressing issues and prevention strategies in the areas of sexual assault, rape, and domestic violence; identifying barriers affecting the health of people with disabilities; developing comprehensive plans to reduce the burden of cancer and cardiovascular disease; supporting youth suicide prevention; and supporting local health efforts to address priority health issues. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

## HUMAN SERVICES - OTHER

The federal expenditures in this activity are increased an additional \$682,000 for targeted injury prevention programs and to address asthma from a public health perspective. (General Fund-Federal)

### Drinking Water Protection

The Department of Health (DOH) works with water system providers and communities to assure the provision of safe drinking water to homes and businesses in Washington through the review of design, planning assistance, oversight of construction and operation, training of operators, water quality monitoring, field inspections, and necessary enforcement actions. DOH manages the federal dollars used to upgrade and improve community water systems and assists in ensuring public health safety associated with wastewater use. Programs and activities include water quality monitoring, field inspections, and necessary enforcement actions for Group A water systems--those with more than 15 connections or serving more than 25 customers. Other activities include design review of water systems, planning assistance and construction oversight, training for drinking water system operators, Group B water systems oversight; assuring proper wastewater treatment; providing technical assistance; and promoting water conservation to public water utilities and local governments. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### Emergency Preparedness and Response

Emergency Preparedness and Response coordinates the agency's effort to respond to a biological terrorism event or other public health emergency. Activities include education and training of responders; updated local and state response plans for treatment, medications, vaccines, or other response to protect public health; preparedness planning and response for radiological/nuclear emergencies; technical assistance; planning, education, and training to ensure Emergency Medical Services (EMS) and trauma system preparedness under the State Comprehensive Emergency and Trauma Plan; licensure, regulation and enforcement of EMS agencies; and education and intervention for the public and health providers. (General Fund-State, General Fund-Federal, various other funds)

### Environmental Health and Safety

DOH provides environmental health and safety services to local health jurisdictions and communities through technical support, field studies, site inspections, development and administration of standards, and necessary enforcement actions. Activities include monitoring animal-borne diseases that might affect humans, assessing health risk associated with environmental contamination, addressing health and safety concerns associated with institutions, and inspecting and monitoring radiation sources. Also, the program conducts statewide surveillance; develops response plans; provides technical support and training for prevention and control of diseases transmitted from animals to humans, including West Nile Virus; provides field studies, site inspections, development, and administration of standards and necessary enforcement actions; as well as providing services to federal and state agencies, local health jurisdictions, and communities to address health risks associated with exposure to hazardous waste, pesticides, and other environmental contamination; and resolving health and safety concerns associated with schools, water recreational facilities, and indoor air.

This activity is reduced by \$231,000 and 0.8 FTE staff years this biennium to accommodate a projected shortfall in the State Toxics Control Account. The reduction will eliminate testing of water and toxic samples by DOH laboratories and reduce toxicological consultations regarding pesticides and fertilizers. (General Fund-State, General Fund-Federal, General Fund-Private/Local, State Toxics Control Account-State, various other funds)

The federal expenditures in this activity are increased an additional \$299,000 for an environmental health tracking network and a nitrate dose response program. (General Fund-Federal)

### **Epidemiology and Assessment**

DOH activities under epidemiology and assessment are the primary tools used in public health to identify diseases and risks to the public. These science-based activities collect information through a variety of systems, including mandatory disease reporting and vital records. This information is analyzed to detect patterns, and results are used to prevent further spread of disease by taking actions such as closing restaurants, treating individuals who may have been exposed, or developing new policies to prevent the disease or exposure in the future. (General Fund-State, General Fund-Federal, various other funds)

The federal expenditures in this activity are increased an additional \$83,000 for state assessment initiatives. (General Fund-Federal)

### **Food Safety and Shellfish Protection**

DOH assists local health providers and the affected industry in safe food preparation through the development and administration of food safety standards, as well as application of new food safety science and technology. DOH also conducts field inspections and monitors the safety of shellfish harvested for human consumption. Product recalls and large food-borne outbreak response are also areas of responsibility. Programs and activities include training and technical assistance; food product recalls; investigating food-borne illness outbreaks; monitoring shellfish harvests and processing; evaluating pollution impacts in shellfish; and monitoring state-operated facilities that provide food services not regulated by local health jurisdictions. The department also works to restore environmental health and protect public health by working to reopen commercial and recreational shellfish beds that have been closed or reclassified due to pollution; and to prevent closure of shellfish areas still open but threatened. Activities include intensive water quality testing, stakeholder work to improve water quality, notifying shellfish growers and regulatory agencies about declining sanitary conditions, and assisting in the development of watershed management plans and closure response plans.

The food safety program is increased in 2003-05 by \$622,000 and 3.5 FTE staff years to increase training, increase prevention-oriented activities, and develop a comprehensive food security (biosecurity) plan. (General Fund-State, General Fund-Private/Local, various other funds)

### **Health Systems/Public Health Systems Development \***

DOH works through various programs to strengthen and assist in the development of health care and public health systems, including participation in the Public Health Improvement Partnership, system work to recruit and retain trauma and health care providers, trauma and health care delivery system infrastructure support, and access to health care services. The public health system relies on rapid, accurate collection and dissemination of information, with activities designed to strengthen the information collection, analysis and dissemination processes, and to assure that all information is kept secure and confidential. Activities include providing funds for trauma care, assisting rural hospitals to convert to Critical Access Hospital status, and assisting communities to attain Health Professional Shortage Area designation. Programs also maintain critical systems for securely collecting, analyzing, and disseminating disease information; provide resources to address health care provider shortages, public health workforce development, and assistance to rural communities in addressing service access; development for Emergency Medical Services (EMS) and trauma regional systems; integrated services for children with special health care needs; sunrise reviews for health professionals and mandated benefits; monitoring the Hospital and Patient Data System; and providing customer service through the Center for Health Statistics, which issues certified copies of birth, death, divorce, and marriage records to the public.

The spending authority for trauma expenditures that are matched with federal funds (\$9.7 million) is shifted from DOH to the Department of Social and Health Services, Medical Assistance Administration, to consolidate payments in that category. (Emergency Medical Services and Trauma Care Systems Trust Account-State)

The spending plan for the Center for Health Statistics reflects an increase in vital records fees for ongoing operations of the center. The increase will also support the development and implementation of an Electronic Death Registration System, a web-based system that will allow access by funeral directors, cause-of-death certifiers, and local deputy registrars in order to transfer data electronically and facilitate compliance with the state's death registration process (\$3.433 million and 6.6 FTE staff years). (General Fund-State, General Fund-Federal, General Fund-Private/Local, Health Services Account-State, various other funds)

## HUMAN SERVICES - OTHER

The federal expenditures in this activity are increased an additional \$1,001,000 for small rural hospital improvement, improvement of rural access to emergency devices, and for investment in the behavioral risk factor surveillance system. (General Fund-Federal)

### **Infectious Disease Programs #**

Infectious Disease Programs focus on sexually transmitted diseases, HIV/AIDS, and tuberculosis. Programs assess the incidence and prevalence of these diseases; pay for drugs and limited medical care for HIV clients; and work with local health agencies, officials, and other organizations to prevent and reduce the effects of these transmissible diseases. DOH contracts with local health agencies and organizations to develop community-specific programs related to health promotion and prevention activities, disease surveillance, investigation, screening, testing, treatment, partner notification, and providing access to medications and health care services for eligible clients. The agency also provides management and coordination of the Governor's Advisory Council on HIV/AIDS (GACHA) and health care provider contracts for case management services to HIV-infected persons on Medicaid.

The spending plan for this activity in 2003-05 reflects the transfer of the Evergreen Health Insurance Program from the Department of Social and Health Services to DOH (\$7.778 million). This transfer better aligns activities with departmental missions and consolidates support services for people living with AIDS within one agency. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Maternal and Child Health**

Maternal and Child Health Programs concentrate on services for women and children, providing health information and education, assessing disease and social factors that affect family health, and developing policy, as well as systems. Staff provides information and data to agencies and organizations in Washington and assists communities in providing effective local programs. Programs contract with many community-based organizations and agencies, purchase vaccines, and pay for food under the Women, Infants, and Children (WIC) Program. These activities help communities support the health of women, infants, children and families, including those with special healthcare needs, by providing food, childhood vaccines, health information, and referral and assessment of health and social factors. The department also coordinates with local programs on oral health, works with providers regarding prenatal issues, and tracks families receiving health information, treatment, and referrals to health care providers. This data is used to improve access to care, family health, and policy decisions. The agency also focuses on collecting data on children over time and using it to identify causes, trends, and interventions for prevention. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Health Services Account-State, various other funds)

### **Public Health Laboratory**

The Public Health Laboratory serves as the primary reference laboratory for the state, providing specialized laboratory services or disease investigations. The lab also supports local health agencies, DOH programs, and the state's health care system with tests that identify naturally occurring diseases. Much of the testing done at the Public Health Laboratory is unique. The Centers for Disease Control and Prevention is the only source of more advanced testing. Activities include newborn screening tests, testing of environmental and clinical specimens, chemical tests for metals and organic compounds in drinking water and non-water environmental samples, and information technology activities necessary to support critical laboratory capacity.

Additional investments in this area in 2003-05 include expanding the newborn screening program to add five disorders to the current blood test (\$2.35 million and 4.8 FTE staff years) and adding hearing tests to the newborn screening program (\$222,000). These programs allow for early identification and intervention of treatable disorders, improving health outcomes for affected children. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Safety and Quality of Health Care Services**

The Department of Health regulates health care providers, in conjunction with regulatory boards and commissions and health care facilities, to ensure they meet practice standards, as well as health care and safety standards. Activities involve licensing health care providers, facilities, and services; investigating complaints; and sanctioning health care providers who violate state professional standards. Providers, facilities, and services are monitored for compliance, and public information is provided regarding health care providers and disciplinary actions. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Health Professions Account-State, various other funds)

### **State Board of Health**

The ten-member independent board appointed by the Governor includes the secretary of the DOH, city and county elected officials, local health officers, citizens, and others knowledgeable in health matters. Established in 1889 by the State Constitution, the board develops and adopts rules for most core state and local public health functions, including vital records, disease surveillance and control, environmental health, childhood genetic and other screening, immunization, and other preventive health programs. The board advises state agencies, the public, and the health care community on ways to improve health, offers a public forum on health issues, and participates as a member of the Governor's sub-cabinet. (General Fund-State)

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 305

## Department of Veterans Affairs

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	582.3	20,636	53,175	73,811
<b>Total Maintenance Level</b>	611.8	22,220	57,478	79,698
Difference	29.6	1,584	4,303	5,887
Percent Change from Current Biennium	5.1%	7.7%	8.1%	8.0%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(611.8)	(22,220)	(57,478)	(79,698)
Administrative Services	21.3	3,188	11	3,199
Institutional Services	562.7	13,399	55,114	68,513
Community-Based Veterans Services	17.8	3,855	2,019	5,874
Employee-related and Internal Service Cost Adjustments		318	1,064	1,382
Staff Reductions and Operating Efficiencies	(21.9)	(286)	(766)	(1,052)
<b>Subtotal</b>	(31.9)	(1,746)	(36)	(1,782)
<b>Total Proposed Budget</b>	580.0	20,474	57,442	77,916
Difference	(2.3)	(162)	4,267	4,105
Percent Change from Current Biennium	(0.4)%	(0.8)%	8.0%	5.6%

**Administrative Services**

The Administrative Services unit for the Department of Veterans Affairs (DVA) provide supportive functions for all of the Department's products and services. The primary function includes financial affairs, human resources, computer support, informational services, strategic planning, capital program management, and budget. (General Fund-State, Charitable, Educational Penal and Reformatory Institutions Account)

**Institutional Services**

DVA operates three state nursing homes: the Washington Veterans Home in Retsil, the Washington Soldiers Home in Orting and the Spokane Veterans Home in Spokane. The three homes provide a variety of care including skilled nursing, light nursing, domiciliary care, and other assistance to retired veterans. DVA's nursing homes serve approximately 600 residents. The Department is coordinating the construction of a new skilled nursing facility at Retsil scheduled to be completed by Spring 2005. (General Fund-State, General Fund-Federal, General Fund Private/Local).

**Community-Based Veterans Services**

In a typical year, the Veterans Services Division provides assistance to 40,000 veterans and their family members in the following areas: outreach (claims processing and referral services); centralized admissions to veterans homes; homeless veterans' services (transitional housing, retraining, and case management); estate management; incarcerated veterans' services; and post traumatic stress disorder assistance. Forty percent of these services are supported by federal and local grants, contracts, and fees.

The recommendation includes a reduction of \$1.3 million General Fund-State, or approximately 23 percent, in the budget for this activity. Staffing will be reduced by 7 FTE staff years and includes the closing of the Bremerton Field Service Office and Community Veterans Services Coordinators Program. In addition, the Olympia Service Center and Administration will be closed. Veterans Services Contract Offices and Individual Service Officers Contracts activities are reduced by 50 percent. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 310

## Department of Corrections

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	7,792.4	1,093,745	37,813	1,131,558
<b>Total Maintenance Level</b>	8,352.8	1,213,114	33,009	1,246,123
Difference	560.4	119,369	(4,804)	114,565
Percent Change from Current Biennium	7.2%	10.9%	(12.7)%	10.1%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(8,352.8)	(1,213,114)	(33,009)	(1,246,123)
Confine Convicted High-Risk Adults	5,495.1	696,657	11,701	708,358
Supervise High-Risk Adult Offenders in the Community	1,119.1	132,814	19,556	152,370
Offender Education	24.5	39,749		39,749
Offender Drug and Sex Offender Treatment	37.2	16,240	2,984	19,224
Offender Mental Health Care	150.9	21,841		21,841
Offender Health Care	622.0	116,000		116,000
Intergovernmental Services		38,081		38,081
Supervise Moderate-Risk Adult Offenders in the Community	6.9	1,028		1,028
Supervise Moderate/Low-Risk Adult Jail Offenders				
Supervise Low-Risk Adult Offenders				
Collection of Legal Financial Obligations				
Confine Convicted Low/Moderate-Risk Adults	305.2	40,468		40,468
Employee-related and Internal Service Cost Adjustments		17,297	16	17,313
Staff Reductions and Operating Efficiencies	(199.8)	(10,862)	(16)	(10,878)
Self-Insurance Premiums		12,846		12,846
<b>Subtotal</b>	(791.7)	(90,955)	1,232	(89,723)
<b>Total Proposed Budget</b>	7,561.1	1,122,159	34,241	1,156,400
Difference	(231.3)	28,414	(3,572)	24,842
Percent Change from Current Biennium	(3.0)%	2.6%	(9.4)%	2.2%



### **Confine Convicted High-Risk Adults**

An average daily population of 13,289 high-risk offenders in Fiscal Year 2004 and 13,282 in Fiscal Year 2005 will be incarcerated in state correctional facilities. This population includes offenders sentenced to confinement for violent and sex crimes, and crimes against persons, as well as confinement for high-risk drug and property offenses.

Offender custody activities ensure a safe and secure environment for offenders and staff in major institutions, camps, and pre-release facilities. Custody activities include the transportation of offenders, operation of offender housing units, perimeter and access control, and intelligence and investigation. The Department confines offenders in eight major institutions, five minimum security facilities, and two pre-release facilities. Custody activities work to minimize escapes, the introduction of contraband, and offender infractions. The Department also provides basic services to offenders, such as food service, laundry, clothing, janitorial activities for offenders in facilities, and the administration of offender records.

Other responsibilities included in this activity are the routine maintenance and repairs to state-owned facilities, infrastructure, and other capital investments. These activities serve to create safe and secure facilities for offenders and staff while protecting natural resources and minimizing environmental hazards. Activities include operating, maintaining, and supporting heating and water systems; electronically controlled gates, doors, and locks; video monitoring; emergency back-up systems; vehicle and ferry operations; electrical systems; and general building and grounds maintenance. (General Fund-State, General Fund-Federal)

### **Supervise High-Risk Adult Offenders in the Community**

The Department will supervise approximately 16,383 offenders in Fiscal Year 2004 and 17,259 offenders in Fiscal Year 2005 in the community. These offenders, who will be released from prison or jail, are considered to be at the highest risk to re-offend. Classification of offenders as "high-risk" is based on the risk to re-offend and the nature of the harm done, not solely on the crime of conviction. Offender supervision activities ensure that high-risk offenders in the community are supervised and monitored. Activities support the following components of supervising felons in the community setting: monitoring conditions of release, working with victim and other stakeholders to develop meaningful offender accountability plans, holding violation hearings, and imposing sanctions. Supervision also includes victim witness programs and the supervised transition of high-risk offenders who have served their sentence in prison to the community. Offenders sentenced under the Special Sex Offender Sentencing Alternative (SSOSA) are also included in this activity. (General Fund-State, Cost of Supervision Account-Nonappropriated)

### **Offender Education**

Over 4,800 adult offenders are enrolled in a number of educational programs. Adult Basic Skills courses are provided for offenders who have not received a high school diploma or a General Educational Development (GED) certificate and score below the ninth-grade level. GED preparation courses are available for offenders who have not received a high school diploma or GED and score at least at the ninth-grade level, but less than the twelfth-grade level. English as a Second Language courses provide instruction in speaking, reading, and writing skills for offenders whose primary language is other than English. Vocational Skills Training courses or classes necessary to achieve a proficiency standard are also available to adult offenders or to obtain a certificate in information technology, welding, barbering, electronics, carpentry, business basics, and auto body. Offender Change Programs are designed to change behavior, thinking, and attitudes known to contribute to criminality. (General Fund-State)

An additional \$2.1 million is provided to continue library services at the Department's correctional facilities.

### **Offender Drug and Sex Offender Treatment**

The Department provides treatment for chemically dependent offenders and sex offenders housed in state facilities and supervised in the community. Treatment may take the form of counseling, therapy, and/or medication. Approximately 19,600 offenders will be admitted to chemical dependency treatment programs while in prison and on community supervision; and about 200 offenders will receive sex offender treatment at a given time. (General Fund-State, Violence Reduction and Drug Enforcement Account)

This activity is increased by \$1.4 million to provide additional drug and alcohol treatment services to offenders confined in a state correctional facility.

## HUMAN SERVICES - OTHER

### **Offender Mental Health Care**

The Department provides emergent and ongoing mental health services and assessments to incarcerated offenders, focusing on services for the seriously mentally ill. Approximately 10 percent of the offender population is considered seriously mentally ill. During Fiscal Year 2002, the Department provided approximately 35,500 mental health encounters to offenders. (General Fund-State)

### **Offender Health Care**

The Department provides medical and dental services for all offenders while they are confined in correctional facilities. These services involve on-site medical and dental service encounters, as well as off-site inpatient and outpatient services. These services consist of primary care scheduled visits, sick calls, outpatient medical clinic care, x-ray, lab, radiology, dentist services, and inpatient infirmary care. During Fiscal Year 2002, the Department provided approximately 320,000 medical and dental encounters to offenders housed in state correctional facilities. (General Fund-State)

### **Intergovernmental Services**

This activity provides funding for services purchased from state and local agencies. These activities include statutory services provided by the Office of the Attorney General, Office of the Secretary of State, Department of Personnel, Department of Information Services, Office of Financial Management, and Department of General Administration. These activities support the monitoring of offenders, tracking expenditures, paying vendors and staff, and payments for general liability insurance and risk management.

### **Supervise Moderate-Risk Adult Offenders in the Community**

The offenders referred to this activity have been released from prison and have been determined to have a moderate violent offense behavior risk (risk management level C). The offender population includes Level 1 notification sex offenders who are in sexual deviancy treatment, or who have successfully completed such treatment, as well as offenders who have two or more domestic violence-related arrests within the past five years, but are not an imminent threat. Currently the basic means of reporting is primarily by kiosk, however, face-to-face contact is sometimes required depending upon the offender's history of violence or nature of any current violation behavior. (General Fund-State)

This type of supervision will no longer be provided to the risk management level C offender population. Community supervision for 2,082 offenders in Fiscal Year 2004 and 2,154 offenders in Fiscal Year 2005 will be eliminated, removing \$27.8 million and 60.2 FTE staff years.

Funding of \$1 million and 6.9 FTE staff years are added to supervise property offenders, 259 offenders in Fiscal Year 2004 and 353 in Fiscal Year 2005, who may qualify to receive earned early release credit at the rate of 50 percent rather than at the current rate of 33 percent. These offenders will be transferred to community custody status in lieu of additional earned early release time for a period equal to the difference between early release time earned at the rate of 50 percent and release time that would have been earned at the 33 percent rate.

### **Supervise Moderate/Low-Risk Adult Jail Offenders**

The offenders referred to in this activity have been released from jail after serving terms of 12 months or less, and have been determined to have a moderate or low violent offense behavior risk (risk management level C or D). Offenders included in this activity have been convicted of sex, non-violent, person, uncategorized, and drug offenses, but are not at a high risk to re-offend.

Community supervision is eliminated for 21,301 offenders in Fiscal Year 2004 and 21,794 offenders in Fiscal Year 2005, removing \$39.2 million and 297.7 FTE staff years.

### **Supervise Low-Risk Adult Offenders**

The offenders referred to in this activity have been released from prison and have been determined to have a minimal violent offense behavior risk (risk management level D). Currently, these offenders report by telephone whenever there is a change in their residence, employment, alternative contact person, or new arrests.

This type of supervision will no longer be provided to the risk management level D offender population.

Community supervision for 1,043 offenders in Fiscal Year 2004 and 1,052 offenders in Fiscal Year 2005 is eliminated, removing \$1.2 million and 9 FTE staff years.

### **Collection of Legal Financial Obligations**

Legal Financial Obligations (LFO) include fines, restitution, and other financial penalties imposed by Superior Courts as part of felony sentences.

A reduction of \$6.8 million and 58 FTE staff years is accomplished by transferring the monitoring and collection of LFOs for offenders in the community who are no longer being actively supervised to the Department of Social and Health Services (DSHS). DSHS will provide collection services, which include issuing offenders' monthly billing statements, receiving payments, and distributing the revenue to the appropriate counties.

### **Confine Convicted Low/Moderate-Risk Adults**

The Department is estimated to incarcerate an average daily population of moderate/low-risk offenders of 2,222 in Fiscal Year 2004 and 1,776 in Fiscal Year 2005. This population includes offenders assessed at a risk management level C or level D, who have been sentenced to 12 to 48 months confinement for drug offenses and "uncategorized" offenses.

The newly enacted sentencing grid for drug crimes will be implemented a year ahead of schedule. Also, earned early release will be available for offenders not convicted of violent, sex, drug offenses, or crimes against persons. Approximately 1,104 offenders in Fiscal Year 2004 and 1,324 offenders in Fiscal Year 2005 will be released early or receive a shorter sentence. These actions reduce \$48.3 million and 178.7 FTE staff years from the Department's budget. (General Fund-State)

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

### **Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 Biennium.

Agency 315

## Department of Services for the Blind

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	71.9	3,301	14,662	17,963
<b>Total Maintenance Level</b>	71.9	3,721	15,359	19,080
Difference		420	697	1,117
Percent Change from Current Biennium	0.0%	12.7%	4.8%	6.2%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(71.9)	(3,721)	(15,359)	(19,080)
Agency Management and Administrative Support Services	13.1	628	2,484	3,112
Food Service Operations in State Buildings	2.4		1,784	1,784
Independent Living	2.3	108	1,292	1,400
Vocational Rehabilitation and Employment Services	54.1	2,962	9,746	12,708
Employee-related and Internal Service Cost Adjustments		25	58	83
Staff Reductions and Operating Efficiencies	(4.3)	(52)	(160)	(212)
<b>Subtotal</b>	(4.3)	(50)	(155)	(205)
<b>Total Proposed Budget</b>	67.6	3,671	15,204	18,875
Difference	(4.3)	370	542	912
Percent Change from Current Biennium	(6.0)%	11.2%	3.7%	5.1%

#### Agency Management and Administrative Support Services

These staff members provide administrative support and management for the Department of Services for the Blind (DSB). Their functions include budget and accounting, personnel, training, data processing, and information technology. The State Rehabilitation Council for the Blind is also supported. Funding designated for the Deaf-Blind Service Center, including funds transferred from the Department of Social and Health Services Development Disabilities Services, are administered by DSB. (General Fund-State, General Fund-Federal)

#### Food Service Operations in State Buildings

Both federal and state law give first priority to qualified, legally blind persons for the opportunity to operate food facilities in publicly-owned buildings. The Vending Facility Program is a federal program that is funded entirely by revenues received from vending machines in state and federal buildings (\$900,000 annually). The Business Enterprise Program (BEP) trains and licenses legally blind people to manage snack/gift shops, espresso stands, and food service facilities in government buildings. BEP provides ongoing management assistance and essential food service equipment, and establishes new facilities as opportunities arise. (Business Enterprises Revolving Account-Nonappropriated)

### **Independent Living**

The Independent Living Program teaches recently blinded Washingtonians how to continue living in their homes after vision loss. Assigned to designated counties, contractors visit individuals' homes to provide low-cost devices and instruction in blindness techniques, including how to care for self and home, walking with the use of a cane, and how to continue to read and write. While 80,000 people are potentially eligible for these services, the program currently serves 1,200 individuals, most of them who are age 70 and over. (General Fund-State, General Fund-Federal)

### **Vocational Rehabilitation and Employment Services**

The Vocational Rehabilitation Program (VR) enables individuals who are blind or visually impaired to overcome social and economic barriers by developing the skills, independence, and self-confidence to become successfully employed. Federal law mandates that VR provide comprehensive and individualized services to meet each participant's needs and to support each Individual Plan for Employment (IPE). Services include vocational counseling; assistive technology assessment and training; training of adaptive skills of blindness and adult basic skills; transition services; assistance with small business development; mental health counseling; transportation; assistance with job search, development, and placement; workplace accommodations; and employer follow-up.

The Child and Family Program provides consultation services for families of 700 blind children (birth to age 14), as well as the organizations that serve them such as pre-schools and schools. The program provides support, advice, and information to families, teachers, and others about training, educational programs, and resources unique to the developmental needs of blind children. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 325

## Sentencing Guidelines Commission

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	12.1	1,798		1,798
<b>Total Maintenance Level</b>	11.5	1,698		1,698
Difference	(.6)	(100)		(100)
Percent Change from Current Biennium	(4.6)%	(5.6)%		(5.6)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(11.5)	(1,698)		(1,698)
Sentencing Policy Advice	11.5	1,512		1,512
Employee-related and Internal Service Cost Adjustments		1		1
Staff Reductions and Operating Efficiencies	(.1)	(22)		(22)
<b>Subtotal</b>	(.1)	(207)		(207)
<b>Total Proposed Budget</b>	11.5	1,491		1,491
Difference	(.6)	(307)		(307)
Percent Change from Current Biennium	(5.0)%	(17.1)%		(17.1)%

#### Sentencing Policy Advice

The Sentencing Guidelines Commission, composed of 20 people appointed by the Governor, advises state policymakers on sentencing policies for adult felons and juvenile offenders. It monitors and evaluates the effects of the Sentencing Reform Act and the Juvenile Justice Act, and assists judges and others in applying the sentencing guidelines created by these laws. Commission staff maintains a database of sentencing information, and publishes annual reports and other studies. Staff also evaluates programs, publishes annual reports on judges' individual sentencing practices, and provides guidance to criminal justice professionals to calculate offenders' sentences under applicable laws. (General Fund-State)

Funding is reduced by \$192,000. The agency shall take actions to reduce operating costs.

#### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 540

## Employment Security Department

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	2,174.8		444,950	444,950
<b>Total Maintenance Level</b>	2,159.4		516,781	516,781
Difference	(15.4)		71,831	71,831
Percent Change from Current Biennium	(0.7)%		16.1%	16.1%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(2,159.4)		(516,781)	(516,781)
Business (Employer) Services	14.5		2,172	2,172
Employment and Training Services to Targeted Populations	769.3		311,093	311,093
Job Seeker and Employer Services	246.7		30,762	30,762
Labor Market and Economic Analysis	47.7		7,557	7,557
Re-Employment of UI Claimants	177.0		23,768	23,768
Unemployment Insurance, Benefits, and Taxation	967.2		146,551	146,551
Employee-related and Internal Service Cost Adjustments			7,011	7,011
Staff Reductions and Operating Efficiencies	(80.4)		(3,902)	(3,902)
Self-Insurance Premiums			202	202
<b>Subtotal</b>	(17.4)		8,433	8,433
<b>Total Proposed Budget</b>	2,142.0		525,214	525,214
Difference	(32.8)		80,264	80,264
Percent Change from Current Biennium	(1.5)%		18.0%	18.0%

#### Business (Employer) Services

The Business Services activity engages the business community as partners in the agency's service delivery system. At the local level, staff members work with employers to generate job openings, assist with mass recruitment efforts, provide job tax credit and labor market information, arrange job fairs, and work with local economic development councils on potential new businesses. (General Fund-Federal)

#### Employment and Training Services to Targeted Populations

This activity offers the same basic services described under the Job Seeker/Employer Services activity; however, separate funding and performance criteria are established to provide for targeted populations. These populations include veterans, migrant and seasonal farm workers, welfare recipients, older workers, youth, persons with disabilities, economically disadvantaged, and dislocated workers. The primary legal authority under which these services are delivered is the federal Workforce Investment Act of 1998. (General Fund-Federal)

### **Job Seeker and Employer Services**

Job Seeker/Employer Services provides the basic service delivery system for matching job seekers with employers who need workers. This is accomplished through a community-based service delivery system that provides: resume writing workshops, job skills development workshops, referrals to local training and education programs, a database of job seekers and available jobs, recruitment and screening of job applicants for employers, and individual referrals of qualified workers to employers. (General Fund-Federal)

### **Labor Market and Economic Analysis**

This activity provides economic data to businesses, private planners, educators, legislators, government agencies, media, and the general public. Information includes industry and occupational employment, and earnings; labor supply and demand; economic forecasts; unemployment rates; and wage statistics. It is the primary source of labor market information supplied to decision makers in the state. (General Fund-Federal)

### **Re-Employment of UI Claimants**

This is a targeted effort to expedite the re-employment of claimants currently drawing benefits from the state's unemployment insurance trust fund. (General Fund-Federal)

This activity includes new funding for these initiatives: Re-employment Services to Claimants (\$2,272,000 General Fund-Federal and 21 FTE staff years); the Enhanced Employment Initiative (\$4,096,000 General Fund-Federal and 25 FTE staff years); and Training Room Expansion (\$241,000 General Fund-Federal).

### **Unemployment Insurance, Benefits, and Taxation**

Established in 1935 by the federal Social Security Act, the unemployment insurance program provides partial replacement of wages to workers unemployed through no fault of their own. Paid by employer taxes, unemployed residents receive benefits each week while they are searching for new employment. Staff members administer benefits, collect taxes from employers, detect and collect money for overpayments, manage the unemployment trust fund, and administer the Old Age Survivors Insurance. (General Fund-Federal)

This activity includes new funding for Improving Initial Unemployment Insurance Claim Process (\$2,065,000 General Fund-Federal, and 6 FTE staff years); Improved and Timely Decisions (\$1,881,000 General Fund-Federal); Social Security Crossmatch (\$644,000 General Fund-Federal and 5 FTE staff years), Overpayment Cash Processing (\$387,000 General Fund-Federal); and Increased Revenue Collection (\$1,105,000 General Fund-Federal and 6 FTE staff years).

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

### **Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 Biennium.



Agency 460

## Columbia River Gorge Commission

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	9.8	791	759	1,550
<b>Total Maintenance Level</b>	9.8	1,193	758	1,951
Difference		402	(1)	401
Percent Change from Current Biennium	0.0%	50.8%	(0.1)%	25.9%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(9.8)	(1,193)	(758)	(1,951)
Implementation of the Management Plan and National Scenic Area Act				
Scenic Area Act	3.2	642	207	849
Policy Making and Hearing Citizen Appeals	3.6	336	336	672
Public Outreach and Technical Assistance to Counties	3.0	215	215	430
Employee-related and Internal Service Cost Adjustments		16	16	32
Staff Reductions and Operating Efficiencies	(.1)	(4)	(4)	(8)
<b>Subtotal</b>	(.1)	12	12	24
<b>Total Proposed Budget</b>	9.8	1,205	770	1,975
Difference	(.1)	414	11	425
Percent Change from Current Biennium	(0.5)%	52.3%	1.4%	27.4%

**Implementation of the Management Plan and National Scenic Area Act**

All counties of the Columbia River Gorge National Scenic Area administer land use policies set forth by the Gorge Commission, with the exception of Klickitat County. (The Commission implements these policies for Klickitat County.) The Commission reviews county-approved plans for development to ensure consistency with the Scenic Area Act and Management Plan and disperses grant funding to Clark and Skamania Counties to provide planning and permitting services required by the Management Plan. It also reviews federal monies dispensed by Oregon and Washington investment boards in the form of economic development loans and grants.

This activity includes an additional \$10,000 in one-time funding for distribution of the revised management plan to be finalized in 2004 and \$10,000 for a technical writing contract to reorganize and edit the plan. (General Fund-State, General Fund-Private Local)

**Policy Making and Hearing Citizen Appeals**

The primary function of the agency is to set land use policies for counties with land in the National Scenic Area. The counties of the Gorge carry out these policies and issue land use decisions. Citizens have the option of appealing County decisions to the Commission, which acts as a quasi-judicial body by reviewing the facts of the case and then rendering a final decision. (General Fund-State, General Fund-Private Local)

## NATURAL RESOURCES AND RECREATION

### **Public Outreach and Technical Assistance to Counties**

This activity increases public awareness of the National Scenic Area Act and Management Plan, and provides assistance to counties in its implementation. The Commission is developing a Geographic Information Systems database for the Gorge, which will include a digitized map, parcel identification, and location of scenic, plant, animal and cultural resources. (General Fund-State, General Fund-Private Local)

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 461

## Department of Ecology

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,459.8	75,269	249,452	324,721
<b>Total Maintenance Level</b>	1,438.0	70,114	232,947	303,061
Difference	(21.9)	(5,155)	(16,505)	(21,660)
Percent Change from Current Biennium	(1.5)%	(6.8)%	(6.6)%	(6.7)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,438.0)	(70,114)	(232,947)	(303,061)
Prevent Violations of Air Quality Standards	14.9	4,420	4,764	9,184
Reduce Health and Environmental Threats from Motor Vehicle Emissions	26.0	5,926		5,926
Reduce Risk from Toxic Air Pollutants	8.0	1,106	750	1,856
Improve Public Understanding of the Risks and Costs of Air Pollution	1.5		246	246
Reduce Health/Environmental Threats from Smoke and Dust in Eastern Washington	12.0	336	2,186	2,522
Process Air Quality Industrial Permits Programs Efficiently and Effectively	12.0		2,024	2,024
Measure Air Pollution Levels and Emissions to Make Sound Policy Decisions	31.0	3,864	1,972	5,836
Quality Assurance and Scientific Assistance to Ensure Reliability of Data	5.0	250	582	832
Strategy for Reducing Persistent Bioaccumulative Toxins in the Environment	2.3		700	700
Environmental Monitoring of Water Quality, Sediments and Stream Flows	28.0	3,658	2,214	5,872
Directed Environmental Studies for Water Quality, Water Resources, and Toxics	36.7	1,890	5,554	7,444
Accreditation of Laboratories to Ensure Accurate and Scientifically Sound Data	7.7	1,308		1,308
Laboratory Services for Technical, Analytical, and Sampling Support	25.0	876	1,032	1,908
Reduce Hazardous Waste through Technical Assistance	28.0		4,530	4,530
Increase Safe Hazardous Waste Management and Compliance Assurance	24.0		3,931	3,931
Respond to Environmental Threats From Hazardous Waste Generators and Facilities	18.0		3,020	3,020
Hazardous Waste Pollution Prevention through Permitting, Closure and Compliance	20.0		3,020	3,020
Improve Access to Meaningful Hazardous Waste Information and Data	20.8		3,258	3,258
Requiring Effective Treatment and Remediation of Hanford Tank Waste	21.0	20	4,060	4,080
Safe Storage and Management of Hanford Tank Waste	12.4	12	2,404	2,416
Ensure Safe Management of Dangerous and Mixed Wastes at Hanford	20.5	20	4,428	4,448
Remediation of Hanford Nuclear Waste Facilities	9.5	6	1,264	1,270

# NATURAL RESOURCES AND RECREATION

	Annual FTEs	General Fund State	Other Funds	Total Funds
Environmental Restoration at the Hanford Nuclear Reservation	11.5	10	2,162	2,172
Coastal Zone Management	10.3	826	2,210	3,036
Federal Permitting for Water Quality Related Construction Projects	13.5	1,323	1,434	2,757
Floodplain Management	4.0		2,116	2,116
Padilla Bay National Estuarine Reserve	15.0	1,172	2,738	3,910
State Environmental Policy Act (SEPA) Review	6.5	1,420		1,420
Shoreline Management	21.8	3,764	2,308	6,072
Washington Conservation Corps (WCC)	33.5		3,759	3,759
Provide Technical and Financial Assistance to Local Watershed Planning Units	23.5		14,563	14,563
Technical and Financial Assistance for Managing and Restoring Wetlands	10.0	618	962	1,580
Optional Permit Process Voluntarily Paid By Applicant and Outsourced			2,350	2,350
Waste Reduction and Recycling in Support of a Sustainable Future	32.6		5,338	5,338
Regulating and Monitoring Pollution from Solid Waste Facilities	35.0	214	6,304	6,518
Financial Assistance for Local Government Waste Management Efforts	11.0		4,792	4,792
Litter Pick Up and Prevention	24.5		6,032	6,032
Prevent Oil Spills	19.3		6,800	6,800
Prepare for Oil Spills	10.2		1,692	1,692
Respond to Oil and Hazardous Material Spills	34.8		14,272	14,272
Assess and Restore Natural Resources Damage from Spills	2.3		2,245	2,245
Clean Up the Worst Contaminated Sites First (Uplands)	83.7		17,506	17,506
Clean Up the Worst Contaminated Aquatic Sediment Sites First	17.0		3,820	3,820
Services to Site Owners that Volunteer to Cleanup their Contaminated Sites	24.0		4,634	4,634
Manage Underground Storage Tanks to Minimize Releases	16.0		3,346	3,346
Water Quality Point Source Pollution Prevention and Management	90.4	1,968	13,782	15,750
Stormwater Management	18.0		3,723	3,723
Water Quality Nonpoint-Source Pollution Prevention and Management	24.1	960	11,922	12,882
Financial Assistance for Local Government Water Quality Projects	31.0		4,960	4,960
Water Clean Up Plans to Improve Water Quality (Total Maximum Daily Loads)	34.5	1,927	3,557	5,484
Process Water Rights Applications in a Timely and Effective Manner	58.2	6,262	2,828	9,090
Water Right Adjudication	9.5	2,034		2,034
Drought Response			512	512
Water Resource Support to Local Watershed Management Efforts	22.4	2,286	1,905	4,191
Water Rights Compliance	7.1	1,064		1,064
Conservation and Re-use of Agricultural and Municipal Water Supplies	7.1	572	3,542	4,114

## NATURAL RESOURCES AND RECREATION

	Annual FTEs	General Fund State	Other Funds	Total Funds
Regulate Well Construction	7.5		1,596	1,596
Dam Safety	7.0	1,307	79	1,386
Water Resources Data, Communication and Policy Support	16.4	3,706	838	4,544
Administrative Services	82.3	4,748	10,709	15,457
Office of Communication and Education	8.0	412	936	1,348
Employee Services	21.0	973	2,200	3,173
Executive Management and Support	13.0	863	1,943	2,806
Field Offices	16.0	619	1,398	2,017
Financial Services	53.1	2,217	5,006	7,223
Governmental Relations	9.0	555	1,252	1,807
Regional Offices	42.1	1,829	4,132	5,961
Employee-related and Internal Service Cost Adjustments		898	2,369	3,267
Staff Reductions and Operating Efficiencies	(41.7)	(530)	(1,410)	(1,940)
<b>Subtotal</b>	<b>(57.7)</b>	<b>(2,405)</b>	<b>8,154</b>	<b>5,749</b>
<b>Total Proposed Budget</b>	<b>1,380.3</b>	<b>67,709</b>	<b>241,101</b>	<b>308,810</b>
Difference	(79.5)	(7,560)	(8,351)	(15,911)
Percent Change from Current Biennium	(5.4)%	(10.0)%	(3.3)%	(4.9)%

### Prevent Violations of Air Quality Standards

The agency's goals are to have all dirty air areas classified as clean by the federal Environmental Protection Agency by the end of the biennium and to reduce ambient air pollutant concentrations to levels that provide less than a 1 percent chance of triggering future violations of health-based National Ambient Air Quality Standards by 2010. Major milestones in achieving these goals include redesignation of all remaining nonattainment areas, completing a statewide assessment and prioritization of an area's likelihood of violating standards, developing a Nonattainment Early Warning System for assessing a county's likelihood of violating federal air quality standards, and designing and implementing strategies to address fine particle problems in Colville and Wallula. (General Fund-State, General Fund-Federal, Environmental Excellence Account-State)

### Reduce Health and Environmental Threats from Motor Vehicle Emissions

More people, more growth, and more sprawl mean more traffic and continued high levels of pollution from motor vehicles. In order to reduce emissions from mobile sources by 35 percent by 2010, activities will include oversight of the contractor that operates the emission test stations and automotive repair businesses which repair the vehicles that fail an emission test, developing a diesel emissions reduction initiative that combines voluntary and regulatory elements, promoting retrofit emission technology, and encouraging the purchase of hybrid and other low emission vehicles through state purchasing decisions. (General Fund-State)

### Reduce Risk from Toxic Air Pollutants

Hundreds of toxic chemicals (totaling millions of pounds) are emitted into the air annually in Washington. Emerging ambient assessments and toxics risk models indicate that the level of airborne toxics pose significant health and environmental risks including death, shortened lives, cancer, and other serious health effects. In order to reduce emissions of priority toxic air pollutants by 50 percent by 2010, activities will include identifying and ranking the priority chemicals with the highest potential health risks, improving emissions inventories and determining sources of priority toxics, and evaluating and implementing appropriate strategies to reduce such emissions. (General Fund-Federal, Air Pollution Control Account-State)

### **Improve Public Understanding of the Risks and Costs of Air Pollution**

This activity provides easily accessible and understandable information about the risks and costs of air pollution and air pollution reduction strategies to citizens and elected officials. It includes the completion and analysis of a statewide public survey on air quality issues, and the design and implementation of an education and outreach strategy that provides specific information to local communities. (General Fund-Federal, Air Pollution Control Account-State)

Due to the state General Fund shortfall, a reduction of \$274,000 will eliminate or reduce public opinion surveys, community-based outreach initiatives that encourage the use of less polluting vehicles, and K-12 presentations and course material development that communicate the negative effects of air pollution to school children.

### **Reduce Health/Environmental Threats from Smoke and Dust in Eastern Washington**

Regional smoke and dust pollution plagues many areas in central and eastern Washington, and source-specific air pollution problems often are not resolved quickly and efficiently. In order to achieve sufficient air quality levels in this area by 2010, activities will include developing a web-enabled agricultural burning permit system; auditing local burning permit programs to ensure effectiveness; establishing a land clearing burning permit program; improving the capacity, infrastructure, and use of alternatives to outdoor burning; and reducing emissions from cereal grain stubble burning. (General Fund-State, General Fund-Federal, and various other funds)

Due to the state General Fund shortfall, the Air Pollution Control Account is being utilized to fund this activity.

### **Process Air Quality Industrial Permits Programs Efficiently and Effectively**

The air quality program issues permits to new and existing large and medium-size industrial and commercial facilities to ensure protection of public health and the environment. Most permit programs are federally mandated and designed by law to be self supporting through fees. (Air Pollution Control Account-State, Air Operating Permit Account-State)

### **Measure Air Pollution Levels and Emissions to Make Sound Policy Decisions**

This activity gathers information on the amount, sources, and movement of pollution in order to make reasoned air quality management decisions. Activities include air quality monitoring, emission inventory development, and meteorological and modeling forecasts. (General Fund-State, General Fund-Federal)

### **Quality Assurance and Scientific Assistance to Ensure Reliability of Data**

To ensure the reliability and integrity of data used by the agency, the quality assurance officer and staff provide guidance and training on developing Quality Assurance Project Plans, review project proposals, and consult on sampling design requirements and interpretation of results. The Environmental Assessment Program's scientists, modelers, statisticians, chemists, and other specialists assist agency staff by interpreting technical data and supplying information for crucial policy questions. (General Fund-State, General Fund-Federal, and various other funds)

### **Strategy for Reducing Persistent Bioaccumulative Toxins in the Environment**

This activity involves a long-term strategy to reduce persistent, bioaccumulative toxins (PBTs), in the environment that can significantly affect the health of humans, fish, and wildlife. This strategy will coordinate agency efforts, engage other key organizations and interest groups, and provide for public education and information. Currently, mercury and one other PBT yet to be determined, are being studied further to implement or begin development of a chemical action plan to reduce the level of these chemicals in the environment. (State Toxics Account-State)

### **Environmental Monitoring of Water Quality, Sediments and Stream Flows**

The agency has established a statewide environmental monitoring network to assess the current status of state waters, identify threatened or impaired waters, and evaluate changes/trends in water quality over time. This network includes sampling stations in rivers, streams, and marine waters (Puget Sound and coastal estuaries). By detecting early changes in water or sediment quality, environmental monitoring allows simpler, less expensive solutions to be applied to emerging problems. (General Fund-State, General Fund-Federal, and various other funds)

**Directed Environmental Studies for Water Quality, Water Resources, and Toxics**

The agency conducts pollution studies to address known or suspected problems at individual sites or across regional areas. These directed studies range from conventional water quality analyses to sampling for toxic chemicals such as dioxins in fish tissues, pesticides in groundwater, or metals in marine sediments. The majority of the studies are water cleanup studies, which calculate the "total maximum daily load" (TMDL) of a pollutant a water body can absorb without causing violations of water quality standards. Study results are published in scientific reports used for regulatory decision making, defining policy, and providing a basis for protecting and enhancing environmental health. (General Fund-State, General Fund-Federal, and various other funds)

**Accreditation of Laboratories to Ensure Accurate and Scientifically Sound Data**

The agency maintains an accreditation program to accredit environmental laboratories for analyses in all typical environmental matrices including drinking water. Accreditation helps ensure that environmental laboratories have the demonstrated capability to provide accurate and scientifically sound data. The drinking water mission was transferred to Ecology from the Department of Health beginning November 2002. This information is used by the Department to make permitting and clean-up decisions. (General Fund-State)

**Laboratory Services for Technical, Analytical, and Sampling Support**

The Manchester Environmental Laboratory is a full service environmental chemistry laboratory operated jointly by the United States Environmental Protection Agency Region 10 and the Department of Ecology. The laboratory provides technical, analytical, and sampling support for chemistry and microbiology for the agency. (General Fund-State, General Fund-Federal, and various other funds)

**Reduce Hazardous Waste through Technical Assistance**

The state Hazardous Waste Reduction Act calls for the reduction of hazardous substances/waste generation, and requires certain businesses to prepare plans for voluntary reduction. Staff in the Hazardous Waste and Toxics Reduction Program provide assistance through innovative programs for source and waste generation reduction, including more than 300 pollution prevention technical assistance visits. In addition, the program focuses on improvements to industry sectors which have the highest rate of waste generation and non-compliance, to help them achieve energy savings, water conservation, and reduce hazardous waste production, which can also reduce the companies production costs. (State Toxics Account-State, Hazardous Waste Assistance Account-State)

**Increase Safe Hazardous Waste Management and Compliance Assurance**

This activity provides businesses with education and technical assistance about safe hazardous waste management. Annual workshops are offered to thousands of businesses on how to manage their dangerous waste safely, and remain in compliance with appropriate regulations.

Due to a State Toxics Control Account revenue shortfall, a 15 percent reduction in education and technical assistance will be realized for businesses that generate less than 220 pounds of dangerous waste a month, otherwise known as small quantity generators. This equates to 3,000 less technical assistance visits for the biennium out of a total of approximately 18,000 inspections. (General Fund-Federal, State Toxics Account-State)

**Respond to Environmental Threats From Hazardous Waste Generators and Facilities**

The Hazardous Waste and Toxics Reduction Program annually conducts formal compliance enforcement inspections at large and medium quantity generators and at hazardous waste management facilities to ensure compliance with state and federal regulations. It works closely with local authorities to increase efficiency and consolidate resources on resolving environmental health threats and coordinating resolution of environmental complaints. (General Fund-Federal, State Toxics Account-State)

**Hazardous Waste Pollution Prevention through Permitting, Closure and Compliance**

Facilities that treat, store, and/or dispose of dangerous wastes are required to obtain a permit to ensure that their design, construction, maintenance, and operating procedures protect the environment. Washington currently has 15 active facilities that are either in "interim status" or have a final permit. These facilities also are required to have closure plans to effectively deal with the end of their waste management activities. Environmental contamination found at anytime before closure requires a corrective action clean-up plan. Sites that pose the greatest hazard to human health and the environment are addressed first. Ecology is currently working on 27 high priority corrective action sites. (General Fund-Federal, State Toxics Account-State)

#### **Improve Access to Meaningful Hazardous Waste Information and Data**

The Hazardous Waste and Toxics Reduction Program uses automated data systems to track compliance and technical assistance visits; measure pollution prevention and compliance progress; track amounts of dangerous waste generated each year and its proper transport, treatment, and/or disposal; identify toxic chemicals released and stored by businesses; and track information on hundreds of facilities that prepare pollution prevention plans and pay fees. In accordance with federal and state Community Right-to-Know laws, Ecology also responds to public inquiries about toxic chemicals and provides a web page for this purpose. (Hazardous Waste Assistance Account-State and various other funds)

#### **Requiring Effective Treatment and Remediation of Hanford Tank Waste**

This activity involves the effective and efficient treatment and remediation of all Hanford tank waste, including design, permitting, construction, and operation of the Hanford Waste Treatment Plant. (General Fund-State, General Fund-Federal, and various other funds)

#### **Safe Storage and Management of Hanford Tank Waste**

This activity ensures the safe storage and management of all Hanford tank waste to complement the retrieval and treatment of tank waste and eventual closure of all tank farms. (General Fund-State, General Fund-Federal, and various other funds)

#### **Ensure Safe Management of Dangerous and Mixed Wastes at Hanford**

This activity ensures the safe management of dangerous and mixed wastes at Hanford, as well as mixed-waste sites throughout the state. (General Fund-State, General Fund-Federal, and various other funds)

#### **Remediation of Hanford Nuclear Waste Facilities**

This activity assists in the effective and efficient remediation of contaminated facilities throughout the Hanford site and ensures the safe management of dangerous and mixed wastes at two Hanford laboratories and three off-Hanford facilities. (General Fund-State, General Fund-Federal, and various other funds)

#### **Environmental Restoration at the Hanford Nuclear Reservation**

This activity works to restore the public use of the air, soil, and water at Hanford and remove or reduce the risks to people and the environment associated with past Hanford activities. (General Fund-State, General Fund-Federal, and various other funds)

#### **Coastal Zone Management**

Local governments depend upon this program to provide them with technical and financial assistance for improved planning and project review along the state's coastline. This program assists local governments in redeveloping waterfront commercial areas, helps developers identify cost effective and least hazard prone shoreline development sites, and supports development of public access projects. It also insures that the state's interest is represented in federal agency decisions that affect the state's coastline, including offshore oil and gas leasing, coastal erosion, and dredging. (General Fund-State, General Fund-Federal)

#### **Federal Permitting for Water Quality Related Construction Projects**

Ecology issues water quality certifications and Coastal Zone Management Act consistency determinations for water-related construction projects. Water Quality Certifications determine if proposed projects will meet state water quality standards. They are a key tool to help avoid and minimize water quality impacts and prevent impairment of the state's waters. They are also the only state permit that regulates wetland impacts and requires wetland mitigation. Projects are approved, denied, or conditioned to protect water quality, sediment quality, and fish and shellfish habitat. (General Fund-State, General Fund-Federal, Water Quality Account)

Due to the state General Fund shortfall, Water Quality Account funding is being utilized for this activity.



### **Floodplain Management**

Ecology administers the Flood Control Assistance Account Program, providing grants and technical assistance to local governments for flood damage reduction projects and comprehensive flood hazard management planning. Ecology staff reviews and approves local Comprehensive Flood Hazard Management Plans, and inspects construction of flood damage reduction projects. Ecology also serves as the coordinating agency for the National Flood Insurance Program (NFIP), receiving a grant to provide technical assistance and support to 250 communities enrolled in the NFIP. This program ensures that state residents qualify for federal flood insurance and disaster relief. (General Fund-Federal, Flood Control Assistance Account-State)

Due to the state General Fund revenue shortfall, the Flood Control Assistance Account Program is reduced by 50 percent for the 2003-05 Biennium. A total of \$1.3 million will be continued for Local Government flood damage reduction projects, Comprehensive Hazard Management Plans and flood mapping, along with \$700,000 to provide technical assistance for the NFIP, flood damage reduction projects, and additional flood mapping.

### **Padilla Bay National Estuarine Reserve**

The Padilla Bay National Estuarine Research Reserve in Skagit County is one of over 20 national reserves established to protect estuaries for research and education. It conducts a broad array of public education programs, technical and professional training, and scientific research and monitoring. The Reserve, managed in partnership with the National Oceanic and Atmospheric Administration, includes over 11,000 acres of tidelands and uplands, the Breazeale Interpretive Center, a research laboratory, residential quarters, trails, and support facilities. (General Fund-State, General Fund-Federal)

### **State Environmental Policy Act (SEPA) Review**

The State Environmental Policy Act (SEPA) was adopted in 1971 to ensure that state and local decision makers consider the environmental impacts of their actions. Ecology provides training and assistance to local governments and the public, and manages the SEPA register. Staff members (shoreline permits and 401 water quality certifications) review SEPA documents and provide early input on projects. This activity insures that project review occurs early in the process and supports the streamlining of permit decision making. (General Fund-State)

### **Shoreline Management**

The Shoreline Management Act establishes a cooperative program between local and state governments, in which local governments develop and administer local shoreline master programs, and Ecology provides support and oversight. Ecology is involved in shoreline management in four primary ways: periodic review and adoption of shoreline guidelines; technical assistance and data to local governments and applicants on shoreline planning and permitting activities; review and approval of amendments to local shoreline master programs; and shoreline permit review and compliance. (General Fund-State, General Fund-Federal)

Last year, following a lengthy rulemaking process, Ecology implemented new guidelines for development of local shoreline master plans under the Shoreline Management Act. The implementation of the guidelines has been delayed due to a Pollution Control Hearings Board decision. This decision has been appealed by various stakeholders. In an effort to resolve this issue outside of court, Ecology is engaging in negotiations with these stakeholders. The negotiations are almost complete and \$2 million dollars has been provided for settlement of this appeal.

### **Washington Conservation Corps (WCC)**

The Corps was established in 1983 to conserve, rehabilitate, and enhance the state's natural and environmental resources, while providing educational opportunities and work experiences for young adults, ages 18 to 25. It creates partnerships with federal, state, and local agencies, private entities and nonprofit groups to complete a variety of conservation-related projects, including constructing and maintaining salmon recovery projects, wetlands restoration and enhancement, soil stabilization and other forest restoration activities, fencing, and trail work. Importantly, for every one dollar of state funds invested, the program is able to leverage eight dollars of federal or other funds. As a result, Ecology's WCC is able to bring substantial assistance to local community projects. (General Fund-Federal, General Fund-Private Local, Water Quality Account)

WCC's work is reorganized to maximize the use of state salmon recovery funds and federal Americorp funds. WCC will coordinate with the Departments of Fish and Wildlife and Natural Resources to make effective and efficient use of these funds in meeting salmon recovery and water quality priorities.

#### **Provide Technical and Financial Assistance to Local Watershed Planning Units**

In 1998, the Watershed Planning Act established a framework for state, local, and tribal governments to collaboratively create watershed plans that address water needs, reduce water pollution, and protect fish habitat. Ecology supports watershed planning by providing watershed leads for local planning efforts and providing technical and financial assistance to local planning units. (Water Quality Account-State)

Because Watershed Planning grants are dispersed on a cash reimbursement basis, \$3 million dollars is re-appropriated in the 2003-05 Biennium to cover grants obligated in the 2001-03 Biennium, but not paid out.

#### **Technical and Financial Assistance for Managing and Restoring Wetlands**

The state Water Quality and Shoreline Management Act requires protection of wetlands. Ecology provides regulatory and non-regulatory wetlands technical assistance to government and non-government entities. In addition, this activity provides local governments and project proponents new tools for designing and siting project mitigation that streamlines planning and permit processes. (General Fund-State, General Fund-Federal)

#### **Optional Permit Process Voluntarily Paid By Applicant and Outsourced**

The State Cost-Reimbursement Program provides an optional process where applicants can reimburse Ecology for costs associated with outsourcing workload. Outsourcing excess workload is an effective tool to delivering regulatory and permitting decisions in a timely manner when Ecology does not have the capacity to meet all project review needs. Examples of permits that can be processed include water quality discharge permits, water rights applications, and/or air quality permits. (General Fund-Private/Local, Environmental Excellence Account-State)

#### **Waste Reduction and Recycling in Support of a Sustainable Future**

Waste reduction and recycling examples exist today that demonstrate that both the public and private sector can save money by managing solid wastes better. Ecology is working to share and expand upon these waste and money saving innovations. Activities include a revised state plan that provides a 20-year vision for solid waste; technical assistance on pollution prevention strategies; assistance in establishing and operating local recycling programs; better management of building materials (new and waste); and development of an organic wastes strategy. (General Fund-Federal and various other funds)

Due to a State Toxics Control Account revenue shortfall, an 18 percent program reduction for technical assistance will be realized. These staff provide technical engineering and hydrology assistance to local health districts regarding engineering reviews for new landfills, moderate risk waste facilities, closing of landfills, and groundwater monitoring. Local health districts can utilize existing Local Toxics grant funding for projects to offset this engineering and hydrology technical assistance reduction. In addition, revenue generated from the Biosolids permit program will be utilized to provide additional technical assistance and permit processing for the Biosolids program. Proper use of clean biosolids can improve soil quality and prevent the need for fertilizers and pesticides.

#### **Regulating and Monitoring Pollution from Solid Waste Facilities**

The agency is charged with establishing environmental regulations for solid waste facilities. Regulatory authorities include overseeing the siting, design, construction and permitting of solid waste facilities to protect the state's air, land, surface, and ground waters. The Industrial Section manages regulatory requirements for 29 of the state's largest, most complex, and potentially environmentally significant industrial facilities, including pulp mills, aluminum smelters, and oil refineries. (General Fund-State, and various other funds)

#### **Financial Assistance for Local Government Waste Management Efforts**

The state supports local waste reduction, recycling, and litter pick-up activities through four capital grant programs including Coordinated Prevention Grants, Remedial Action Grants, Public Participation Grants, and Litter-pickup Contracts. This activity includes the administrative costs for these capital grant programs. (Waste Reduction Recycling Litter Control Account-State, State Toxics Control Account-State, Local Toxics Control Account-State)

### **Litter Pick Up and Prevention**

A litter survey completed by the agency in 2000 showed that about one-quarter of the litter is being picked up along Washington roadways, including 65 tons of cigarette butts, 535 tons of metal, and additional tons of plastic automotive parts, wood debris, yard debris, beverage containers, and more. Litter control efforts include a litter prevention campaign, continued Ecology Youth Corps crews, and coordination with other entities to maximize litter pick-up efforts. (Waste Reduction Recycling Litter Control Account-State)

### **Prevent Oil Spills**

In order to prevent oil spills from vessels in state waters, the Department of Ecology rates 2,600 cargo and passenger vessels each year for safety-related information before they arrive in Washington waters; conducts on-board inspections to verify compliance with international, federal, and state requirements; and inspects refueling operations to reduce spills during fuel transfers. Other activities include review of near-miss incidents and actual accidents; review and approval of oil handling facility spill prevention plans; and assessment and management of risks of oil spills in geographic areas. (General Fund-Federal, Oil Spill Prevention Account-State)

An additional \$1.6 million in federal funding is provided for charter safety tug services, including the placement of a dedicated tug at Neah Bay for not less than 200 days in Fiscal Year 2004. If federal funding is not available, \$1.4 million from the Oil Spill Prevention Account will be utilized for Fiscal Year 2004.

### **Prepare for Oil Spills**

The agency reviews and approves oil spill contingency plans of regulated vessels and facilities to help ensure that companies have a plan to effectively respond to spills. Other preparedness activities include conducting oil spill drills and developing geographic-based spill response plans. (Oil Spill Prevention Account-State)

### **Respond to Oil and Hazardous Material Spills**

The agency responds to accidental and intentional releases of oil and hazardous materials. Activities include 24-hour statewide spill response to ensure effective containment and prompt clean-up; methamphetamine drug lab cleanup; and compliance and enforcement actions. (State Toxics Control Account-State, Oil Spill Prevention Account-State, Oil Spill Response Account-State)

### **Assess and Restore Natural Resources Damage from Spills**

In the event of an oil spill significantly affecting publicly owned natural resources, the agency coordinates the damage assessment and seeks fair compensation from the responsible party(s). Monies collected are used to restore resources. (Oil Spill Prevention Account-State, Coastal Protection Account-Nonappropriated)

### **Clean Up the Worst Contaminated Sites First (Uplands)**

The agency focuses its resources on cleaning up contaminated sites that pose the greatest risk to public health and the environment. These include sites where contamination threatens drinking water, exists in a large quantity, is very toxic, may affect a water body, or may affect people that are living, working, or recreating near the site. Contamination may be in the soil, sediments, underground water, air, drinking water, and/or surface water. (State Toxics Control Account-State, Local Toxics Control Account-State, Water Quality Permit Account-State)

Due to a State Toxics Control Account revenue shortfall, technical assistance related to hydrogeology, sediment, chemistry, and biological impact analysis for site clean-up will be reduced by \$1 million, resulting in a reduction of four staff. In addition, because response to emergency cleanup situations is a high priority from both a public health and environmental perspective, a one-time \$2.1 million fund balance from delayed payments to the United States Environmental Protection Agency and other savings will be utilized for emergency site clean-ups.

### **Clean Up the Worst Contaminated Aquatic Sediment Sites First**

In addition to cleaning up sediments, the agency addresses the environmental health of aquatic sediments in source control permits, manages sediment standards and regulations, and maintains a sediment information database. The agency also manages multi-agency sediment cleanup projects. (State Toxics Control Account-State, Local Toxics Control Account-State, Water Quality Account-State)

### **Services to Site Owners that Volunteer to Cleanup their Contaminated Sites**

This program was created in October 1997, to provide services to site owners or operators who initiate cleanup of their contaminated sites. Voluntary cleanups can be conducted in a variety of ways: completely independent of the agency, independent with some agency assistance or review, or with agency oversight under a signed legal agreement (an agreed order or a consent decree). They may be done through consultations, prepayment agreements, prospective purchaser agreements, and brownfields redevelopment. (General Fund-Federal, Worker/Community Right to Know Account-State, State Toxics Control Account-State)

### **Manage Underground Storage Tanks to Minimize Releases**

The agency currently regulates about 11,189 active tanks on 4,074 different properties, including gas stations, industries, commercial properties, and governmental entities. It works to ensure that tanks are installed, managed, and monitored in accordance with federal standards and in a manner that prevents releases into the environment. This is done through compliance inspections and providing technical assistance to tank owners and operators. (General Fund-Federal, State Toxics Control Account-Private Local, Underground Storage Tank Account-State)

### **Water Quality Point Source Pollution Prevention and Management**

The agency regulates discharges of pollutants to surface and ground waters by writing wastewater discharge permits for sewage treatment plants, storm water, and industrial discharges. A permit is a rigorous set of limits, monitoring requirements, or management practices, usually specific to a discharge, which is designed to ensure that a facility can meet both treatment and water quality standards. The program conducts inspections and site visits every two years to about 25 percent of more than 2,300 permit holders. Technical assistance and follow-up on permit violations are also provided through various means. (State Toxics Control Account-State, Local Toxics Control Account-State, Water Quality Permit Account-State)

Funding is provided for Assistant Attorney General staff support for the US vs Washington State (Culverts Case). The court has framed the issue as whether the state is "affirmatively diminishing the number of fish available for harvest" by "build[ing] and manag[ing] its roadway culverts in a fashion that impermissibly blocks the passage of fish destined for the Tribes' usual and accustomed fishing ground." Trial is anticipated in December 2003. Agencies involved in the case include the Departments of Transportation, Natural Resources, Fish and Wildlife, Ecology and the Washington State Parks and Recreation Commission. (General Fund-State, General Fund-Federal, and various other funds)

### **Stormwater Management**

The agency prepares tools, renders assistance, and provides compliance pathways for people to control the quantity and quality of stormwater runoff from development and industrial activities. The agency is currently providing training and assistance to communities and industries for the Western Washington Stormwater Manual and is actively developing an Eastern Washington Stormwater Manual. The agency is also re-issuing stormwater permits to Washington's largest cities and counties (so-called Phase I jurisdictions) and will develop a Phase II permit program that will require stormwater management programs for areas with populations of 10,000 or more. (General Fund-Private/Local and various other funds)

Funding is included to continue an existing contract to provide stormwater manual updates and training on the stormwater model. In addition, the State Metal Mining and Milling Act requires state agencies to conduct quarterly inspections for mining and milling operations. Currently, both the Department of Ecology (DOE) and the Department of Natural Resources (DNR) have appropriations from this account to complete inspections, but only DOE collects the revenue associated with the cost of the inspections. To reduce administration of this small \$18,000 expenditure, DNR's funding is transferred to DOE. DOE will contract with DNR for inspections that DNR would be required to complete.

### **Water Quality Nonpoint-Source Pollution Prevention and Management**

Nonpoint source pollution (polluted runoff) is the leading cause of water pollution and poses a major health and economic threat. Types of nonpoint pollution include fecal coliform bacteria, elevated water temperature, pesticides, sediments, and nutrients. Sources of pollution include agriculture, forestry, urban and rural runoff, recreation, hydro modification, and loss of aquatic ecosystems. The program addresses these problems through raising awareness, encouraging community action, providing funding, and supporting local decision makers. Other areas include coordination with other agencies through the Washington State Nonpoint Workgroup; Forest Practices Technical Assistance (working with the Department of Natural Resources); and Agricultural Technical Assistance (working with the Conservation Commission). (General Fund-State, General Fund-Federal, and various other funds)

A total of \$640,000 of the Water Quality Account is utilized to restore 50 percent of the Dairy Nutrient Inspection Program cut proposed by the Department of Ecology to address 2002 Supplemental Budget reductions. Inspections at dairy farms in watersheds with known bacterial or nutrient pollution problems will continue, but only once every two years instead of every year. In addition to this funding, \$1,050,000 of the Freshwater Aquatic Weed Account was obligated in the 2001-03 Biennium to local governments to reduce the propagation of freshwater aquatic weeds, but not dispersed due to seasonal limitations of weed control. This grant funding is re-appropriated for payment to local governments in the 2003-05 Biennium.

### **Financial Assistance for Local Government Water Quality Projects**

The Water Quality Program provides capital grants, low-interest loans, and technical assistance to local governments, state agencies, and tribes to build, upgrade, repair, or replace facilities to improve and protect water quality. The agency also funds nonpoint-source control projects, such as watershed planning, stormwater management, education, and agricultural best management practices. It coordinates strategic grant and loan assistance with other state and federal funding agencies. This activity funds the administration of these capital grant programs. (General Fund-Federal, and various other funds)

### **Water Clean Up Plans to Improve Water Quality (Total Maximum Daily Loads)**

The federal Clean Water Act requires the agency to identify water bodies that fail to meet water quality standards. The results are published in two comprehensive reports: the Water Quality Assessment Report (305b Report) and a report listing waters that fail to meet water quality standards (303d list). The agency then works with local interests to prepare cleanup plans (TMDLs) to reduce such pollution, establishes conditions in discharge permits and nonpoint-source management plans, and monitors the effectiveness of the cleanup plan. (General Fund-State, General Fund-Federal, State Toxics Control Account-State)

### **Process Water Rights Applications in a Timely and Effective Manner**

The agency is responsible for making decisions on applications for new water rights and changes and transfers to existing water rights. The 2001 Legislature enacted a law allowing the agency to provide priority processing for water right changes and provided a budget increase that more than doubled the number of staff dedicated to processing water rights. The agency's top operational priority for water resources is to eliminate the existing backlog of nearly 2,000 water right change and transfer applications in Fiscal Year 2005, as well as make substantial progress on additional change and transfer applications that come in during the period. (General Fund-State, Water Quality Account-State)

Due to the state General Fund shortfall, a \$2 million reduction will extend the timeline for reducing the 2,000 water right change and transfer applications backlog by up to nine months from Fiscal Year 2005 to Fiscal Year 2006. These water right changes and transfers facilitate efficient use of existing water resources.

### **Water Right Adjudication**

The agency is responsible for initiating and supporting the adjudication of water rights. Adjudication is a judicial determination of existing water rights and water right claims, including federal, tribal, and non-tribal claims, to determine their validity and scope. Activities include supporting the Yakima River Basin adjudication (which is anticipated to be 90 percent complete in 2003), and presenting information regarding adjudication to watershed planning groups. (General Fund-State)

## NATURAL RESOURCES AND RECREATION

### Drought Response

The agency provides services to mitigate the effects of droughts and to prepare for future drought by providing information and financial assistance, and coordinating drought response efforts. Other activities may include providing water via emergency transfers, changes, and temporary wells. (State Emergency Water Projects Revolving Account-State)

To ensure adequate capacity exists for potential drought response activities in the 2003-05 Biennium, an additional \$226,000 is provided.

### Water Resource Support to Local Watershed Management Efforts

This program works with other agency programs, local watershed planning groups, state agencies, and tribes to address water issues under the Watershed Management Act. Activities to restore and maintain stream flows include providing technical support to local watershed planning groups; providing basic watershed planning support services; conducting technical studies and adopting stream flow rules in fish critical basins; and acquiring water through donations, leases, or purchases of trust water rights. (General Fund-State, and various other funds)

Additional funding of \$631,000 from the State Drought Preparedness Account (SDPA) will be utilized to support the \$4.3 million capital water right acquisition and/or leasing program. Without this funding the staff costs would need to be taken out of the capital program. In addition, \$221,000 of SDPA funding will help maintain and operate new stream gauging facilities installed during the 2001-03 Biennium and will provide the additional state match needed for the federal stream gauging program. Finally, the Ahtanum Creek watershed plan will be completed during the 2003-05 Biennium. Also, \$325,000 of SDPA funding will be utilized to complete an Environmental Impact Statement for the Pine Hollow water storage project, contingent on the outcome of the planning process.

### Water Rights Compliance

The agency has responsibility to ensure compliance with water rights. Activities include metering 80 percent of water use by volume in fish critical basins (the agency's top compliance priority, per court order) and strategically enforcing in egregious cases, for fish needs, and high water use sectors. (General Fund-State)

### Conservation and Re-use of Agricultural and Municipal Water Supplies

The agency supports conserving and re-using water supplies by providing specific technical assistance to agricultural and municipal users and by promoting water right transfers and changes to make better use of existing supplies and to reduce pressure on new sources. (General Fund-State, General Fund-Federal, State and Local Improvements Revolving Account-Water Supply Facilities-State)

### Regulate Well Construction

The agency carries out its well drilling responsibilities by licensing and regulating well drillers, investigating complaints, approving variances, and providing continuing education to well drillers. It administers the program in partnership with delegated counties and provides technical assistance to homeowners, well drillers, tribes, and local governments. (Reclamation Account-State)

Due to the state General Fund revenue shortfall, state General Fund support for data management and technical assistance will be shifted to the State Reclamation Account and reduced by 8.8 percent.

### Dam Safety

Staff in this program oversee the safety of the state's dams by inspecting the structural integrity and flood and earthquake safety of existing state dams not managed by the federal government; approving and inspecting repairs and new dam construction; and taking regulatory, enforcement, or emergency actions. (General Fund-State, General Fund-Federal)

By law, the program can recover the cost of these dam inspections and the cost of approving new dam construction projects. Fees for approving new dam construction and modifications will be increased to cover the actual cost of plan reviews and fees for periodic dam inspections will be instituted to begin covering the cost of inspections. This fee increase and new fee will generate an estimated \$243,000 in new revenue for the General Fund in the 2003-05 Biennium if finalized before January 2004. In addition, due to a recent peer review by the Association of State Dam Safety Officials, an additional staff person is provided in Fiscal Year 2005 to help meet the national standard of not more than five years between inspections for high risk dams. Currently, these high risk dams are inspected every six to ten years.

#### **Water Resources Data, Communication and Policy Support**

These functions provide the support necessary to carry out the major Water Resources Program activities. They include data system development and management; communication and outreach services; policy and planning support; and stream gauging by contract with the United States Geological Survey. (General Fund-State, and various other funds)

#### **Administrative Services**

This program provides information services (including phone, email, desktop and network services); records management; library resource management; security and reception services; commute-trip reduction efforts; and management of agency facilities and vehicles. (General Fund-State, General Fund-Federal, and various other funds)

An administration reduction is taken related to program activity cuts.

#### **Office of Communication and Education**

Staff members represent the agency with the news media and provide guidance to management and staff on effective communication, education, and public-involvement strategies related to environmental issues. They also respond to media and public inquiries, assist communication efforts during spills and other emergencies, provide graphic design services, and help programs design education and outreach plans, tools, materials, and activities. (General Fund-State, General Fund-Federal, and various other funds)

An administration reduction is taken related to program activity cuts.

#### **Employee Services**

Employee Services provides a full range of human resource services, ensuring that recruitment, hiring, appointments, classification and pay, corrective/disciplinary actions, reduction-in-force, and responses to complaints and grievances are in compliance with federal and state employment laws, merit system rules, and agency policy. Other activities include equal employment opportunities, employee training, and safety programs. (General Fund-State, General Fund-Federal, and various other funds)

An administration reduction is taken related to program activity cuts.

#### **Executive Management and Support**

This activity provides direction, leadership, and executive management of the agency in carrying out its mission, goals, and statutory requirements. This includes the Director, Deputy Director, Special Policy Assistants, and associated support. Current areas of focus for policy work include water law reform, watershed health, and regulatory streamlining. (General Fund-State, General Fund-Federal, and various other funds)

An administration reduction is taken related to program activity cuts.

## NATURAL RESOURCES AND RECREATION

### Field Offices

Each of Ecology's two field offices (Bellingham and Vancouver) carry out core environmental work within these communities, including water cleanup plans (TMDL), coastal zone management, National Pollutant Discharge Elimination System permitting, livestock management assistance, and Toxics and Hazardous waste activities. Staff members provide information and assistance to local communities, as well as cross-program coordination and management for large, multiple-program environmental reviews and permitting projects. (General Fund-State, General Fund-Federal, and various other funds)

An administration reduction is taken related to program activity cuts.

### Financial Services

This division provides a full range of financial management and accounting services; helps develop the agency budget and manage its financial resources; manages agency contracts; and coordinates the agency's strategic planning and performance measures. (General Fund-State, General Fund-Federal, and various other funds)

An administration reduction is taken related to program activity cuts.

### Governmental Relations

This office provides leadership, policy support, coordination and direction to the agency regarding state and federal legislative issues, as well as issues that affect local governments, tribes, and British Columbia. It houses the Rules Unit, which provides rule development assistance and coordination along with economic analysis, including small business economic impact statements and cost-benefit studies. (General Fund-State, General Fund-Federal, and various other funds)

An administration reduction is taken related to program activity cuts.

### Regional Offices

Ecology's four regional offices (Lacey, Yakima, Spokane, and Bellevue) each has executive management representatives and provides core administrative support to regional staff in the areas of reception, mail, records management, complaint tracking, and central library functions. Staff members provide information and assistance to local communities, as well as cross-program coordination and management for large, multiple-program environmental reviews and permitting projects. (General Fund-State, General Fund-Federal, and various other funds)

An administration reduction is taken related to program activity cuts.

### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)



Agency 462

## Pollution Liability Insurance Program

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	9.1		2,170	2,170
<b>Total Maintenance Level</b>	9.1		2,042	2,042
Difference			(128)	(128)
Percent Change from Current Biennium	0.0%		(5.9)%	(5.9)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(9.1)		(2,042)	(2,042)
Pollution Liability Insurance and Heating Oil Tank Liability Insurance	8.1		1,939	1,939
Public Communication and Education	1.0		74	74
Employee-related and Internal Service Cost Adjustments			30	30
Staff Reductions and Operating Efficiencies	(2.0)		(140)	(140)
<b>Subtotal</b>	(2.0)		(139)	(139)
<b>Total Proposed Budget</b>	7.1		1,903	1,903
Difference	(2.0)		(267)	(267)
Percent Change from Current Biennium	(22.0)%		(12.3)%	(12.3)%

#### Pollution Liability Insurance and Heating Oil Tank Liability Insurance

The Washington Pollution Liability Insurance Program ensures that households and businesses are able to afford mandatory liability insurance for underground petroleum and heating oil tanks. Without such insurance, oil spills and leaks are more likely to go undetected and pollute soil and groundwater. These programs are funded entirely by special taxes and fees on petroleum products and heating oil. (Pollution Liability Insurance Program Trust Account-State, Heating Oil Pollution Liability Trust Account-Nonappropriated)

#### Public Communication and Education

This funding provides the capacity to respond to public inquiries concerning insurance coverage of both home heating oil and petroleum underground storage tanks. (Pollution Liability Insurance Program Trust Account-State)

#### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 465

## State Parks and Recreation Commission

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	648.5	63,723	38,740	102,463
<b>Total Maintenance Level</b>	672.5	66,118	39,879	105,997
Difference	24.0	2,395	1,139	3,534
Percent Change from Current Biennium	3.7%	3.8%	2.9%	3.4%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(672.5)	(66,118)	(39,729)	(105,847)
Technical Adjustment	.1	1	2	3
Agency Management and Administrative Support				
Services	78.3	9,895	8,139	18,034
Boating Safety and Environmental	8.3		2,559	2,559
Central Reservation System	1.0	586	217	803
Developed and Staffed Parks	501.7	25,275	27,138	52,413
Direct Park Support	44.8	6,025	2,228	8,253
Enterprise Activities	1.0	209	421	630
Environmental Policies	2.5	239	89	328
Facilities Assessment	.2	40	15	55
Historic Preservation	1.0	113	42	155
Human and Financial Volunteers	2.5	253	94	347
Lands Program	4.1	484	179	663
Maintenance Marine Crew	3.0	286	106	392
Planned and Deferred Maintenance		3,345	1,987	5,332
Maintenance Shops	9.0	846	313	1,159
Maintenance and Preservation Oversight	4.0	752	278	1,030
Marketing		218	81	299
Natural Resources and Stewardship	2.0	301	112	413
Environmental Interpretation	2.0	199	74	273
Interpretive Services	2.8	301	112	413
Concessions and Leases	1.0	98	36	134
Planning	3.2	392	145	537
Program and Services Oversight	2.0	217	80	297
Visitor Services	5.0	355	131	486
Arbor Crew	2.0	176	65	241
Resource Stewardship Training		28	10	38
Salmon Recovery		38	14	52
Resource Development Oversight	7.0	413	153	566
Road Development	1.0		781	781
Special Projects	.8	140	52	192
Visitor Protection and Law Enforcement	4.0	1,881	696	2,577
Water Trails Program*			22	22
Winter Recreation	2.6	158	5,732	5,890
Employee-related and Internal Service Cost				
Adjustments		925	440	1,365
Staff Reductions and Operating Efficiencies	(49.2)	(1,734)	(842)	(2,576)
Self-Insurance Premiums		1,020	438	1,458
<b>Subtotal</b>	<b>(24.8)</b>	<b>(12,643)</b>	<b>12,410</b>	<b>(233)</b>

<b>Total Proposed Budget</b>	647.7	53,475	52,289	105,764
Difference	(.8)	(10,248)	13,549	3,301
Percent Change from Current Biennium	(0.1)%	(16.1)%	35.0%	3.2%

#### **Agency Management and Administrative Support Services**

This function provides executive leadership, Commission support, policy development and review, financial services, facilities management, computer and information technology services, personnel services, communications, interagency billings, debt service, and other related administrative services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Motor Vehicle Account-State, various other funds)

Funding is reduced \$2 million in the Parks Renewal and Stewardship Account to match available revenues.

Funding and staffing are reduced \$1.9 million in General Fund-State to reflect delays in opening Cama Beach State Park.

General Fund-State expenditures are reduced \$43,000 to reflect administrative reductions tied to program reductions.

#### **Boating Safety and Environmental**

This program is responsible for coordinating boating safety education, marine law enforcement, vessel registration, and accident reporting with federal, state, and local law enforcement agencies. It coordinates efforts to reduce water pollution from recreational boating activities by providing grants to private and public marinas to install boat sewage disposal facilities. It is funded primarily through grants from the United States Coast Guard and the United States Fish and Wildlife Service. (General Fund-Federal, Aquatic Lands Enhancement Account-State)

#### **Central Reservation System**

This program manages operations related to the reservation system contract, including call center and Internet reservations, and installation, maintenance, and technical support of park-level registration systems. It coordinates employee training and troubleshoots citizen and park problems with reservations. (General Fund-State, Parks Renewal and Stewardship Account-State)

#### **Developed and Staffed Parks**

Washington has more than 120 diverse parks which receive 48 million visits each year. Park facilities include picnic and day-use sites, overnight campsites, boat launches, marine parks, and trails. (General Fund-State, General Fund-Private/Local, Off Road Vehicle Account-State, Parks Renewal and Stewardship Account-State)

Funding and staffing are increased \$4,477,000 in the Parks Renewal and Stewardship Account on an ongoing basis to reflect the agency's collection of system-wide parking fees. General Fund-State funding and staffing are reduced \$388,000 on an ongoing basis to reflect closure of lower-priority parks to be selected by the State Parks and Recreation Commission. Expenditures totaling \$9.5 million are shifted on a one-time basis from General Fund-State to the Parks Renewal and Stewardship Account. Funding is reduced by \$81,000 to match available revenues in the Off Road Vehicle Account.

#### **Direct Park Support**

Four regional offices provide operational oversight and policy guidance for geographically assigned parks and park areas. Each office also manages the Washington Conservation Corps program for the parks in its region. (General Fund-State, Parks Renewal and Stewardship Account-State)

## NATURAL RESOURCES AND RECREATION

### Enterprise Activities

The Enterprise Program provides agency-wide support for revenue enhancement efforts. It performs research to improve visitor services and fosters entrepreneurial initiatives. (General Fund-State, Parks Improvement Account-Nonappropriated, Parks Improvement Account-Nonappropriated, Parks and Renewal and Stewardship Account-State)

### Environmental Policies

This program takes the lead in developing the agency's environmental policies relating to wetland protection, coastal erosion, scientific research, and park development within sensitive areas, as defined under the Growth Management Act. It coordinates agency review and comments to ensure that impacts to parks and recreation opportunities are considered. It also provides archaeological guidance and oversees environmental and ecological research conducted on park lands. (General Fund-State, Parks Renewal and Stewardship Account-State)

### Facilities Assessment

This program develops the agency's capital budget and its ten-year capital facilities plan, and provides recommendations on the maintenance, repair, and renovation needs of the parks system. It manages and provides engineering support for the implementation of non-capital funded roadway maintenance projects, and provides overall coordination of a Geographical Information System (GIS) for the agency. It also manages the ski lift and bridge inspection program. (General Fund-State, Parks Renewal and Stewardship Account-State)

### Historic Preservation

The Historic Preservation Program provides expertise in the identification, evaluation, and preservation of the agency's 600 historic buildings and structures. It works with agency staff to ensure that capital and maintenance projects incorporate best practices for the development and restoration of historic resources. (General Fund-State, Parks Renewal and Stewardship Account-State)

### Human and Financial Volunteers

This program supports the parks system by securing volunteers and encouraging community involvement. It develops policies for recruiting, placing, and training volunteers. It also solicits donations, writes grant requests, and develops interagency and cooperative agreements, such as corporate partnerships. (General Fund-State, Parks Renewal and Stewardship Account-State)

### Lands Program

The Lands Program is responsible for asset development and management of real property. Transactions made on behalf of the agency include acquisitions, disposals, exchanges, appraisals, surveys, and issuance of real property leases, permits, and easements. The program also handles trespass resolution, Seashore Conservation Act compliance, administration of agency water rights, sales of valuable material, and co-development of grant applications. (General Fund-State, Parks Renewal and Stewardship Account-State)

### Maintenance Marine Crew

The Marine Maintenance and Construction Program is responsible for 65 marine parks statewide involving numerous bulkheads, breakwaters, tide gates, drainage facilities, bridges, and dams. It also provides diving services for underwater inspections, maintenance, and repairs. (General Fund-State, Parks Renewal and Stewardship Account-State)

### Planned and Deferred Maintenance

This program coordinates the planned and deferred maintenance needs of parks facilities, roads, earthwork, water and sewer systems, power systems, marine facilities, and structures for the parks system. This involves 120 parks with 2,200 buildings, 7,000 campsites, and 942 miles of trails. (General Fund-State, Parks Renewal and Stewardship Account-State)

A total of \$750,000 in additional funding from the Parks Renewal and Stewardship Account is provided on an ongoing basis to decrease the backlog of maintenance projects at state parks.

**Maintenance Shops**

This program performs a number of maintenance functions, including welding fabrication, collision repair, heavy equipment repair, sign fabrication, wood construction and repairs, radio equipment repairs, and equipment hauling. (General Fund-State, Parks Renewal and Stewardship Account-State)

**Maintenance and Preservation Oversight**

This activity addresses the maintenance and repair needs of parks facilities, structures, and roads, and is responsible for all agency vehicles and equipment. Included in this function is maintenance and preservation of piers, pilings, bulkheads, mooring buoys, and docks. (General Fund-State, Parks Renewal and Stewardship Account-State)

**Marketing**

This program uses strategic marketing efforts to encourage the public to visit state parks. (General Fund-State, Parks Renewal and Stewardship Account-State)

**Natural Resources and Stewardship**

This program is charged with overseeing management plans for state parks, salmon recovery, stewardship training, research (in conjunction with Environmental Programs), natural resource policies and procedures, agricultural leases, park arboriculture, and volunteer stewards. In addition, it helps to direct the activities of the regional stewards and provides technical support to field staff on a wide range of natural and cultural resource-related issues. (General Fund-State, Parks Renewal and Stewardship Account-State)

**Environmental Interpretation**

This activity manages the Environmental Interpretation Program which includes environmental learning centers, environmental education, special interpretive programs, day use and overnight Heritage Place facilities, vacation houses, and the Hyak Lodge. (General Fund-State, Parks Renewal and Stewardship Account-State)

**Interpretive Services**

This activity provides interpretive services designed to help the public better understand the features and resources of state parks. Examples include highway heritage markers, museum services, environmental education, and adherence to the federal Native American Graves Protection and Repatriation Act. (General Fund-State, Parks Renewal and Stewardship Account-State)

**Concessions and Leases**

The Programs and Services Planning and Development section provides food and beverage services in parks through its management of concessions. It leases and subleases telecommunication sites to other agencies, and also manages major television leases at two sites. It provides supervision of the environmental learning centers' administrative staff and program development.

**Planning**

This activity prepares statewide acquisition, disposal and development plans, site planning and schematic design, and evaluation of new properties. It oversees long-term planning for parks; responds to mitigation and relicensing activities administered by the Federal Energy Regulatory Commission; performs research on recreation trends; develops grant applications; and serves as the liaison to tribal governments. (General Fund-State, Parks Renewal and Stewardship Account-State)

**Program and Services Oversight**

This section is responsible for operational oversight of activities designed to provide quality visitor services in state parks. Activities include oversight of the agency concession and commercial lease program, environmental and interpretative services programs, conference center management, and a variety of permit programs. It manages agency rules regarding public uses of park areas, oversees friends groups for the parks, and serves as liaison to a variety of user groups. (General Fund-State, Parks Renewal and Stewardship Account-State)

## NATURAL RESOURCES AND RECREATION

### Visitor Services

This program manages the development, review, and modification of policies and rules relating to public use of the parks, including fee programs, use permits, the friends groups program, and the Parks Information Center. It manages camping pass programs for veterans, seniors, and persons with disabilities, and staffs the agency's information phone line and headquarters reception. (General Fund-State, Parks Renewal and Stewardship Account-State)

### Arbor Crew

The Resource Stewardship Arbor Crew is responsible for tree maintenance on park properties. The crew also assists with projects relating to forest practice requirements, salmon habitat and water-quality improvement, integrated pest management, and vegetation and reforestation efforts. (General Fund-State, Parks Renewal and Stewardship Account-State)

### Resource Stewardship Training

The Resource Stewardship Training program educates park staff on their stewardship role and the importance of making informed resource management decisions. It incorporates training in cultural, natural, and recreation resources; environmental education and interpretation; historic preservation; and management planning. (General Fund-State, Parks Renewal and Stewardship Account-State)

### Salmon Recovery

The Resource Stewardship Salmon Recovery activity assesses salmon habitat in park properties, and provides the public with salmon-related interpretive resources such as trails, exhibits, and other information resources. (General Fund-State, Parks Renewal and Stewardship Account-State)

### Resource Development Oversight

Resource Development provides operational oversight for the planning, acquisition, development, and renovation of recreational facilities, park infrastructure, water and sewer treatment systems, marine boating facilities, trails and bridges, buildings, and other structures. Other activities include capital program planning, engineering consultation, preservation of historic properties, administration of leases and other property agreements, property transactions, and environmental reviews. (General Fund-State, Parks Renewal and Stewardship Account-State)

### Road Development

This section administers ongoing transportation budget funding for the maintenance and minor repair of park roadways. (Motor Vehicle Account-State)

### Special Projects

Special Projects include ski lift inspection and salmon recovery efforts on state park lands. (General Fund-State, Parks Renewal and Stewardship Account-State)

### Visitor Protection and Law Enforcement

All park rangers are commissioned to provide law enforcement services to visitors and to protect park resources. Responsibilities of this program include hiring, academy training, equipment and vehicle acquisition, firearms training, in-service and refresher training, and special investigations. (General Fund-State, Parks and Renewal and Stewardship Account)

### Water Trails Program\*

The program works with public agencies and private organizations to provide overnight camping sites for users of vessels such as kayaks, canoes, or day sailors. It generates revenue through the sale of water trail permits to support development and/or maintenance of water trail sites. (Parks and Renewal and Stewardship Account-State, Water Trail Program Account-State)

Expenditures are shifted on an ongoing basis from the Water Trail Program Account to the Parks Renewal and Stewardship Account to reflect legislation the State Parks and Recreation Commission will offer during the 2003 Legislative Session eliminating the Water Trail Program Account.

**Winter Recreation**

This program is responsible for snow removal, trail grooming, facility construction, safety education, and law enforcement services to cross-country skiers, snowmobilers, dog sledders, and snowshoers. It is funded solely from snowmobile registration fees, Sno-Park permits, and the snowmobile portion of the state fuel tax. The program provides pass-through funds for the operation of the Northwest Weather and Avalanche Center. (General Fund-State, various other funds)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

**Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

Agency 467

## Interagency Committee for Outdoor Recreation

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	23.4	338	14,008	14,346
<b>Total Maintenance Level</b>	22.7	329	19,944	20,273
Difference	(.8)	(9)	5,936	5,927
Percent Change from Current Biennium	(3.2)%	(2.7)%	42.4%	41.3%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(22.7)	(329)	(19,944)	(20,273)
Salmon Monitoring Strategy		500		500
Administration of Forest and Fish			16,000	16,000
Administration of Outdoor Recreation, Habitat, and Salmon Restore Investments #	23.2	3,007	4,961	7,968
Employee-related and Internal Service Cost Adjustments		28	82	110
Staff Reductions and Operating Efficiencies	(1.1)		(50)	(50)
<b>Subtotal</b>	(.6)	3,206	1,049	4,255
<b>Total Proposed Budget</b>	22.1	3,535	20,993	24,528
Difference	(1.4)	3,197	6,985	10,182
Percent Change from Current Biennium	(5.8)%	945.9%	49.9%	71.0%

### Salmon Monitoring Strategy

Chapter 298, Laws of 2001 requires the development of a comprehensive monitoring strategy and action plan to measure success in recovering salmon and maintaining watershed health.

Funding of \$500,000 is provided to implement priority recommendations of the Monitoring Oversight Committee to include improved watershed health monitoring, increased data coordination and access, and production of a State Watershed Health Report Card.

### Administration of Forest and Fish

As directed by the Legislature in 1999, the Interagency Committee for Outdoor Recreation (IAC) has contracted with the Department of Natural Resources (DNR) to administer funds obtained from the National Marine Fisheries Service to support implementation of the Forest and Fish Agreement. Funding is provided to the IAC and passed through to DNR. (General Fund-Federal)



#### **Administration of Outdoor Recreation, Habitat, and Salmon Restore Investments #**

The Interagency Committee for Outdoor Recreation (IAC) and the Salmon Recovery Funding Board (SRFB) oversee state funding of salmon restoration and outdoor recreation activities. This office provides administrative support, grant management, and program development to both the IAC and SRFB. Competitive grants are used to improve existing recreational properties and/or facilities, acquire new properties and/or easements for recreation and habitat protection, and to restore salmon habitat. (General Fund-State, General Fund-Federal, various other funds)

Additional funds are provided to continue operation of lead entities (\$1,625,000) and Regional Recovery Boards (\$1,000,000) for the recovery regions identified in the Statewide Strategy to Recover Salmon. Funding (\$1,100,000) for Regional Fisheries Enhancement Groups is transferred from the Department of Fish and Wildlife to the SRFB to be used, at the discretion of the SRFB, for lead entities, regional fisheries enhancement, and/or regional recovery efforts. A total of \$82,000 is also provided to the agency for operations and maintenance of the Natural Resources Data Portal. Finally, statute dictates a maximum of ten percent of the Off-Road Vehicles Activities Program Account and the Firearms Range Account revenue may be used for operating expenses. This reduction (\$15,000) aligns available revenue and operating expenses with the statutory requirements for these two accounts. (General Fund-State, Salmon Recovery Account-State, Firearms Range Account-State, Nonhighway and Off-Road Vehicle Activities Program Account-State, Regional Fisheries Enhancement Group Account-State)

#### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 468

**Environmental Hearings Office****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	8.0	1,698		1,698
<b>Total Maintenance Level</b>	9.0	1,963		1,963
Difference	1.0	265		265
Percent Change from Current Biennium	12.5%	15.6%		15.6%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(9.0)	(1,963)		(1,963)
Environmental Adjudication	9.0	1,921		1,921
Employee-related and Internal Service Cost Adjustments		61		61
Staff Reductions and Operating Efficiencies	(1.0)	(60)		(60)
<b>Subtotal</b>	(1.0)	(41)		(41)
<b>Total Proposed Budget</b>	8.0	1,922		1,922
Difference		224		224
Percent Change from Current Biennium	0.0%	13.2%		13.2%

**Environmental Adjudication**

The Environmental Hearings Office is composed of four independent adjudicative boards -- the Pollution Control Hearings Board, the Forest Practices Appeals Board, the Shorelines Hearings Board, and the Hydraulic Appeals Board -- that hear appeals of certain local, regional, and state agency environmental decisions. (General Fund-State)

Ten computers that are over four years old and beyond warranty will be replaced with new computers leased from the Department of Information Services for \$16,000.

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 471

**State Conservation Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	15.0	4,292	3,519	7,811
<b>Total Maintenance Level</b>	12.5	4,258	2,282	6,540
Difference	(2.5)	(34)	(1,237)	(1,271)
Percent Change from Current Biennium	(16.7)%	(0.8)%	(35.2)%	(16.3)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(12.5)	(4,258)	(2,282)	(6,540)
Conservation District Audits				
Conservation Reserve Enhancement Program (CREP)				
Technical Assistance				
Dairy Waste Management				
District Basic Funding				
Professional Engineering Grants				
State Conservation Commission - Agency				
Administration				
<b>Subtotal</b>	(12.5)	(4,258)	(2,282)	(6,540)
<b>Total Proposed Budget</b>				
Difference	(15.0)	(4,292)	(3,519)	(7,811)
Percent Change from Current Biennium	(100.0)%	(100.0)%	(100.0)%	(100.0)%

**Conservation District Audits**

This activity has been transferred to the Department of Agriculture.

**Conservation Reserve Enhancement Program (CREP) Technical Assistance**

This activity has been transferred to the Department of Agriculture.

**Dairy Waste Management**

This activity has been transferred to the Department of Agriculture.

**District Basic Funding**

This activity has been transferred to the Department of Agriculture.

**Professional Engineering Grants**

This activity has been transferred to the Department of Agriculture.

**State Conservation Commission - Agency Administration**

This activity has been transferred to the Department of Agriculture.

NATURAL RESOURCES AND RECREATION

Agency 477

Department of Fish and Wildlife

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,557.5	92,942	199,229	292,171
<b>Total Maintenance Level</b>	1,609.2	90,620	193,726	284,346
Difference	51.7	(2,322)	(5,503)	(7,825)
Percent Change from Current Biennium	3.3%	(2.5)%	(2.8)%	(2.7)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,609.1)	(90,620)	(193,726)	(284,346)
Administration #	148.9	8,534	16,004	24,538
Business Services - Engineering	16.9	187	2,828	3,015
Business Services - Financial Services	52.9	4,551	19,950	24,501
Business Services - Information Services	52.1	2,792	5,159	7,951
Business Services - Licenses	14.8	1,002	812	1,814
Director's Office - Intergovernmental Resource Management	23.2	2,709	255	2,964
Enforcement - Aviation, Vehicle and Vessel Shop	5.0	466	503	969
Enforcement - Field Operations - Public	154.9	11,963	14,604	26,567
Enforcement - Hunter Education	4.5		416	416
Fish - Fish Management Division	294.4	14,157	33,474	47,631
Fish - Science Division	131.6	4,435	14,470	18,905
Fish and Wildlife Commission	1.5	221	157	378
Fish Hatcheries Division	337.0	15,233	40,197	55,430
Habitat - Environmental Restoration	23.5	2,223	2,224	4,447
Habitat - Environmental Services	17.0	2,008	1,774	3,782
Habitat - Major Projects	13.9	1,082	1,929	3,011
Habitat - Regional Habitat Operations	66.3	6,837	2,631	9,468
Habitat - Science Team	5.9	624	717	1,341
Wildlife - Game Division	38.2	663	7,099	7,762
Wildlife - Lands Division	105.3	3,791	20,046	23,837
Wildlife - Science Division	43.7	604	4,102	4,706
Wildlife - Wildlife Diversity Divison	37.4	763	4,764	5,527
Employee-related and Internal Service Cost Adjustments		1,671	2,303	3,974
Staff Reductions and Operating Efficiencies	(63.5)	(1,530)	(1,584)	(3,114)
Self-Insurance Premiums		949	772	1,721
<b>Subtotal</b>	<b>(83.6)</b>	<b>(4,685)</b>	<b>1,880</b>	<b>(2,805)</b>
<b>Total Proposed Budget</b>	<b>1,525.6</b>	<b>85,935</b>	<b>195,606</b>	<b>281,541</b>
Difference	(31.9)	(7,007)	(3,623)	(10,630)
Percent Change from Current Biennium	(2.0)%	(7.5)%	(1.8)%	(3.6)%

**Administration #**

Operational activities are coordinated through the Director's Office and include budget development, federal and local contract and grant management, personnel management, legislative coordination, rule development, customer service, and outreach. Six regional offices are also managed through the Director's Office and serve as the "local" voice of the Director and contact point for the public. Regional offices are located in Spokane, Ephrata, Yakima, Mill Creek, Vancouver, and Montesano. Additionally, three agency-wide support functions (the main receptionist, print shop and mailroom) are also included within this category. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

Funding is provided within the administrative activity to continue litigation of the culvert lawsuit (\$112,000), provide additional communications and safety equipment upgrades (\$110,000), and develop a strategic marketing plan (\$150,000).

Reductions to administrative activities for the Department include elimination of customer service staff within each regional office (\$850,000); the consolidation of management within the Ephrata and Yakima offices to include elimination of one regional director and one office manager (\$281,000), and a general reduction (\$405,000) of administrative program activity. License sales will be eliminated in all regional offices which will require customers to purchase licenses through a retail establishment. The reduction to regional office staff and consolidation of Ephrata and Yakima management will reduce the overall customer service ability of the Department, resulting in longer response times to the public to resolve issues. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

**Business Services - Engineering**

The Engineering Division supports the capital program and includes Capital Budget Management, Engineering, Facilities, and Survey Management; and Construction and Maintenance Management. Capital Budget Management directs the development, monitoring, and management of the agency's capital budget. Engineering, Facilities, and Survey Management focuses on the development, monitoring, and management of the Division's operating budget; supervision of project planning, design, drafting, and inspection; facility inventory control; space planning; facility lease administration; maintenance management for Olympia headquarters facilities; and management of Department survey needs, including real estate, engineering, construction, and boundary documentation. Construction and Maintenance Management oversees the maintenance of agency facilities. Other activities involve grading roads, parking at access and wildlife areas, and the inspection, repair, and maintenance of Department-owned dams and fish screens. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

Due to revenue shortfalls, expenditures from the Off Road Vehicle Account are reduced by \$139,000, resulting in a reduction of grant dollars available to maintain roads and recreational facilities in state wildlife areas. (State Wildlife Account-State, Off Road Vehicle Account-State)

Many of the Department's fleet vehicles are far in excess of generally accepted replacement standards and are inefficient and unreliable. To ensure maximum safety for agency staff, additional funding is provided (\$500,000) to replace fleet vehicles.

**Business Services - Financial Services**

The Financial Services Division provides agency-wide financial services through four offices that include the Budget Office, Fiscal Office, Contracts Office, and the Revenue and Fund Administrator's Office. The Budget Office provides support for the development and implementation of the operating budget(s), expenditure and revenue monitoring, allotment development, and tracks the financial positions for each program. The Fiscal Office provides centralized accounting services to the agency through the processing and payment of charges for supplies, materials, payroll, travel expenses, and contract expenditures. The Contracts Office administers roughly 1,860 active federal, state, and local contracts and agreements. The Revenue and Fund Administrator's Office provides revenue forecasting and expenditure tracking services to program managers whose activities are supported from dedicated revenue sources. The Revenue and Fund Administrator's Office also performs special studies as needed and acts as the internal control for agency business services. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

## NATURAL RESOURCES AND RECREATION

### **Business Services - Information Services**

The Information Services Division provides centralized information technology (IT) support and services to the agency. Specific functions of the Information Services Division are to implement and maintain agency-wide IT policies and standards, provide IT systems and network administration, make available end-user support to agency staff, support agency Internet and Intranet websites, manage agency Geographic Information Systems (GIS) and GIS data, maintain data resources related to agency programs (Fish, Wildlife, Habitat, Business Services and Enforcement), and provide computer application development and maintenance agency-wide. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

Funding for the Information Services Division includes an additional \$400,000 to upgrade agency computer backup systems and to continue the transition of agency personal computers and software to current standards. (State Wildlife Account-State, various other funds)

### **Business Services - Licenses**

The Licensing Division provides customer service, sales, and support to administer, collect, and report on commercial and recreational licenses, permits, tags, and stamps. The Division processes and issues approximately 2 million commercial fishing, specialized non-fisher, recreational hunting, fishing, shellfish and seaweed licenses, tags, permits, registrations and catch record cards annually, as well as administering the commercial fishing licenses buyback program. Further activities of the Licensing Division include issuance, suspension, and denial of commercial licenses; and providing customer service to licensees, local, county, state, and federal agencies, associations, internal divisions, and the general public. Licensing staff provide technical support and training information to Department programs and regional offices as well as a statewide network of contracted recreational license dealers. With the assistance of the Internal Licensing Committee and the Dealer Advisory Committee, the Department is developing a licensing strategy to respond to customer needs. (General Fund-State, State Wildlife Account-State, various other funds)

### **Director's Office - Intergovernmental Resource Management**

Intergovernmental Resource Management (IRM) represents the Director's Office internally across programs and regions, as well as externally with local, state, federal, and tribal jurisdictions on statewide and international fish and wildlife resource policy issues. IRM provides statewide policy guidance; synchronizes fish, wildlife, and habitat management functions within the agency; and coordinates development of resource management policies, laws, regulations, plans, and negotiations typically involving statewide issues and/or intergovernmental relationships. IRM provides oversight and direction across divisions to ensure that the agency successfully implements departmental resource policies, goals, and objectives, particularly in intergovernmental forums, and ensures appropriate communication and involvement of key stakeholders and the public. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

### **Enforcement - Aviation, Vehicle and Vessel Shop**

Aviation support provides internal flight capabilities to the Department, primarily for biological survey, fish and wildlife transplant or capture, and telemetry services. Flights are used to conduct marine mammal, shellfish, and commercial fishery surveys, to plant fish, conduct redd counts, and perform waterfowl and big game herd composition counts. Limited enforcement reconnaissance flights are also flown to survey marine areas for illegal fishing activities. The aircraft fleet consists of two Cessna 185s and two DeHavilland Beavers, all designed for low-level, survey-type flight work. (General Fund-State, State Wildlife Account-State, various other funds)

### **Enforcement - Field Operations - Public**

Enforcement field staff regulate harvest, protect the fish and wildlife resource and the habitats in which they live, provide for public health and safety, respond to problem wildlife issues, and mitigate for commercial crop and rangeland damage caused by wildlife. Enforcement field staff are comprised of captains, sergeants, detectives, Fish and Wildlife officers, and part-time herders and hazers for commercial damage control. (General Fund-State, State Wildlife Account-State, various other funds)

The Enforcement Program will continue to hold open five vacancies. Maintaining vacancies of field officers reduces the overall ability of the Department to respond to damage complaints, dangerous wildlife, and to protect fish and wildlife resources and the public.

Currently, enforcement infrastructure is inadequate to meet safety and law enforcement standards for storage of evidence, vehicle reliability and data sharing needs from remote locations. Additional funding (\$300,000) is provided to implement evidence storage upgrades, provide mobile data terminals to all officers, and to replace vehicles in order to conform to recognized replacement schedules and ensure employee safety. (General Fund-State, State Wildlife Account-State)

#### **Enforcement - Hunter Education**

The Department provides hunter education to promote awareness, knowledge, and skills to ensure safe hunting practices, and to maximize public safety and the protection of fish and wildlife resources. The Hunter Education Division recruits and trains volunteer instructors, coordinates class schedules, develops and distributes hunting and training materials, issues certification of training, and maintains administrative records for all hunter and trapper education activities including advanced hunter education, bowhunter education, and the home study alternative. (State Wildlife Account-State, various other funds)

#### **Fish - Fish Management Division**

The Fish Management Division is responsible for implementing state and federal statutory requirements, court-orders and tribal agreements directed at the protection, recovery, enhancement, harvest, and management of all marine and aquatic fish and shellfish within Washington State in addition to those species migrating across its borders. The Division is organized into six management regions and three statewide fishery management units for the purpose of recovering threatened or endangered fish species, directing an integrated approach to assess populations of fish and shellfish and providing freshwater and saltwater fishing and shellfishing opportunities to the public. Additional functions of the Division include monitoring Puget Sound fish contaminants, protecting waters from aquatic nuisance species, making available seed clams, oysters, geoduck, and other hard shell species to state beaches and providing biological, regulatory, and legal expertise to meet the Department's stewardship mission. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

Included within the funding provided to the Fish Management Division are additional resources (\$466,000) to continue efforts to control and manage *Spartina* infestations within the state.

Savings within this activity are realized through the elimination of the Western Washington Warm Water Assessment Team (\$300,000) and the transfer of certain General Fund-State activities to other fund sources (\$250,000). Elimination of the Warm Water Assessment Team will result in reduced public opportunity for warm water gamefish due to implementation of a much more conservative setting of fishing seasons and limits. (General Fund-State, State Wildlife Account-State, Aquatic Lands Enhancement Account-State)

#### **Fish - Science Division**

The Science Division provides the research and methods necessary to make sound, object natural resource decisions. Specific activities include the review of fisheries' sampling and monitoring programs, statistical analyses, and use of computer programs to ensure information is scientifically defensible and cost effective; monitoring wild salmon smolt production and adult spawners to measure progress toward recovery; providing timely, accurate estimates of key resource statistics and access to core fish program data; assessing stock status and as required, designing, implementing, and monitoring recovery and stock restoration programs; evaluating and monitoring fish hatchery operations and practices through the Hatchery Scientific Review Group process; developing and implementing methods to assess fish populations; and providing technical assistance and permit assistance to cooperative fish production projects and Regional Fisheries Enhancement Groups. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

Funding (\$1,100,000) for Regional Fisheries Enhancement Groups (RFEG) is transferred to the Salmon Recovery Funding Board (SRFB). Revenue estimates and collection will remain with the Department while RFEGs will apply for grant funding from the SRFB in an effort to consolidate salmon recovery activities. (Regional Fisheries Enhancement Group Account-State)

### **Fish and Wildlife Commission**

The Fish and Wildlife Commission establishes policy and direction for the Department with respect to fish and wildlife, and monitors the Department's implementation of the goals and objectives established by the Legislature. Through formal public hearings and informal meetings held throughout the state, the Commission provides opportunities for citizens to actively participate in the management of Washington's fish and wildlife. The Commission is the supervising authority for the Department and is responsible for the appointment and supervision of the director. The Commission consists of nine members that are appointed by the Governor. (General Fund-State, General Fund-Private/Local, State Wildlife Account-State)

### **Fish Hatcheries Division**

The Fish Hatcheries Division produces fish for the purpose of preservation, restoration, and harvest, as well as in response to court-orders and/or treaty obligations. Ninety-one facilities and approximately 280 cooperative partnerships located across the state produce approximately 8 million pounds of salmon, steelhead, trout, and warmwater fish annually. Fish produced by these efforts are part of a larger management objective to maximize recreational and commercial harvests, while also protecting and rebuilding wild fish stocks for long-term ecological health. Fish produced at hatcheries and cooperative projects play a vital role in the recovery of Endangered Species Act-listed stocks of salmon and trout. Fish hatcheries also mass mark approximately 24 million hatchery coho, 32 million Chinook and 7 million steelhead annually to monitor hatchery fish behavior and provide for selective harvest opportunity. In addition to mass marking, specific groups of salmon and steelhead are tagged to assess fish hatchery practices, survival, and harvest patterns in waters in and outside of Washington. Fish health professionals monitor hatchery fish for the presence of pathogens and provide treatment protocols necessary to maintain healthy fish stocks. Data is collected and analyzed in a centralized database to provide legally required reports about egg takes, water quality, disposition of adult fish carcasses, and assorted information regarding fish releases into Washington waters. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

Reductions (\$1,285,000) to the Hatchery Division include the closure of three hatcheries located in Naselle, Sequim, and Belfair. Closure of the Naselle, Coulter Creek, and Hurd Creek facilities will result in reduced recreational and commercial opportunities. Within the resources provided to the Hatcheries Division, additional funding (\$1,000,000) is provided to implement the Hatchery Scientific Review Group recommendations to reform hatchery programs for the benefit of recovering wild salmon and providing sustainable fisheries. (General Fund-State, State Wildlife Account-State)

### **Habitat - Environmental Restoration**

The Environmental Restoration Division plans, constructs, and evaluates fish passage and restoration projects, and provides technical assistance to the Department of Transportation, local governments, lead entities, private landowners, and others involved in the protection and restoration of wild salmonids and their habitats. Specific activities include inventory of impairments to fish recovery on Department-owned land, construction of fish ways and irrigation diversion screening projects, development of aquatic habitat guidelines, and public presentations on Washington's fish, wildlife, and their habitat. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

Reductions to the Environmental Restoration Division include the elimination (\$465,000) of pre-project screening activities of habitat restoration projects that will result in a delay of project approval and/or implementation. While this activity is being eliminated, project screening will continue at a reduced level through other department staff.

### **Habitat - Environmental Services**

The Environmental Services Division supplies scientific, technical, policy, and regulatory assistance to regional staff, government agencies, and the public. Activities include coordination of statewide implementation of the Forest and Fish Agreement, providing policy, administrative, and technical support to the Hydraulic Project Approval Permit Program, coordination of the agency's State Environmental Policy Act activity, and technical support for water quality, priority habitats and species and salmonid recovery. (General Fund-State, General Fund-Federal, various other funds)



### **Habitat - Major Projects**

The Major Projects Division provides technical assistance to owners of hydropower, water supply and flood control projects, wind farms, natural gas and gasoline pipelines, and projects permitted through the Washington Energy Facility Site Evaluation Council and the Federal Energy Regulatory Commission. The purpose of this assistance is to review and respond to issues on projects and ensure compliance with the Hydraulic Code, State Environmental Policy Act, Forest and Fish Agreement, National Environmental Policy Act, and other environmental rules that ensure the protection of fish and wildlife resources. Other activities of the Major Projects Division include responding to oil spills (assessment and remediation), review and investigation of large development impacts, and the development of fish and wildlife protection, mitigation, and enhancement measures. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

### **Habitat - Regional Habitat Operations**

Regional Habitat Operations provides technical and regulatory service to customers who are engaged in activities related to land-use planning, hydraulics permits, hydro-power project licensing under the Federal Energy Regulatory Commission, forest practices and/or other activities which may affect fish and wildlife habitat. Regional staff consist of habitat program managers and Area Habitat, Watershed Stewardship, and Growth Management technical assistance biologists who serve the public in six regions. Other activities performed are a variety of habitat-related planning and regulatory activities including participation in watershed, salmon recovery and landscape planning, water allocation, and state and national policy act reviews. Customers include interested parties, landowners, treaty tribes, hunters, fishers, recreationists, conservation groups, local, state, and federal governments. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

Additional funding is provided (\$300,000) to implement the recommendations of the Hydraulic Project Approval Task Force to include a training program, additional programmatic approaches to permitting, and enhancement of post-project monitoring.

### **Habitat - Science Team**

The Science Team develops the scientific tools, information, and knowledge necessary to manage the state's fish and wildlife habitats. Scientists develop adaptive management plans for major agreements that affect large areas of the state, including the Forest and Fish Agreement. Other actions include a salmonid habitat inventory process; development of instream flow methodology; determining minimum instream flows for salmonid survival; conducting and/or participating in applied research; monitoring for the Forest and Fish Agreement; developing the Salmon and Steelhead Habitat Inventory and Assessment Program (SSHIAP); and making public presentations on Washington's fish, wildlife, and their habitat. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

### **Wildlife - Game Division**

The Game Division manages more than 50 species of game animals in Washington State, including deer, elk, upland birds, waterfowl, bear, cougar, mountain goats, and bighorn sheep, as well as furbearing animals like beaver and mink. The primary objectives of the Game Division are to use credible science for the management and conservation of game animals and to provide recreational opportunities to the public. To fulfill these objectives, the Game Division implements specific activities that determine the ecological needs and population status of game species; make available opportunities for sustainable public wildlife-oriented recreation; maintain healthy populations of all game animals through population management actions such as augmentation, habitat enhancement, and protection; provide recommendations for public hunting opportunity; develop, implement and monitor management plan success for game species; and expand public outreach and partnerships to maintain game populations and recreational opportunity. (General Fund-State, State Wildlife Account-State, various other funds)

### **Wildlife - Lands Division**

The Lands Division protects and manages over 800,000 acres of fish and wildlife habitat and maintains over 600 recreational lake and river access sites. Through the stewardship, management, and acquisition of critical lands, this division protects Washington's rich diversity of fish and wildlife. Agency-owned property includes a network of managed lands that stretch to every corner of the state and range in size from a few acres to thousands of acres of big game winter range. Agency-managed wildlife areas provide wildlife-related recreational opportunities including public hunting and fishing opportunity, bird watching, natural resource education, rock climbing, walking, hiking, cycling, cross country skiing, camping, and other appreciative uses. (General Fund-State, General Fund-Federal, State Wildlife Account-State, various other funds)

The work of the Washington Conservation Corps (WCC) is reorganized to maximize the use of state salmon recovery and federal Americorps funds. The Department of Ecology WCC will coordinate with the Departments of Fish and Wildlife and Natural Resources to make effective and efficient use of these funds in meeting salmon recovery and water quality priorities. New WCC projects will be funded (\$410,000) through the Americorps program. Additional resources (\$850,000) are also provided to address stewardship and maintenance needs on roughly 90,000 acres of agency land and over 600 water access sites. (General Fund-State, General Fund-Federal, State Wildlife Account-State)

### **Wildlife - Science Division**

The Wildlife Science Division supports the overall goals of the agency, and specifically the Wildlife Program, by providing expertise, technical information, and quantitative data analysis in support of the Lands, Game, and Wildlife Diversity management activities. Wildlife scientists are actively engaged in field studies of a variety of wildlife species to provide information necessary to successfully manage and recover wildlife populations in Washington. The Division manages the collection and updating of wildlife databases, and provides support to program staff, including generating reports, maps, and other wildlife data products. The Division is responsible for ensuring integration and compliance with agency corporate data management standards, and manages biological survey data collected in the field, analyzes wildlife survey results, and performs hunt permit drawing and game species harvest analysis. The Division provides Geographic Information Systems (GIS) services and products related to wildlife habitat mapping and analysis. The Division is responsible for providing technical support and expertise in the field of wildlife veterinary medicine, including training on humane and safe handling, and immobilization techniques of several wildlife species. The Science Division is also responsible for monitoring the health and disease factors of all of Washington's wildlife. (General Fund-State, State Wildlife Account-State, various other funds)

### **Wildlife - Wildlife Diversity Division**

The Wildlife Diversity Division protects and restores those species of mammals, birds, reptiles, amphibians, and terrestrial invertebrates in Washington that are not hunted or fished. Objectives of the Wildlife Diversity Division are to maintain healthy populations of nongame species; restore populations of species that have declined to the point of being listed as endangered, threatened, or sensitive; and provide public opportunity to view wildlife. To achieve these objectives, the Division provides science-based management recommendations and biological expertise to other agency programs, the Fish and Wildlife Commission, the public, and other local, state and federal agencies. Currently, the Division is responsible for managing, restoring and implementing recovery plans for the 26 endangered, 11 threatened, and 6 sensitive species in Washington, as well as monitoring an additional 103 species that are candidates for listing. The Watchable Wildlife Program provides citizens with year-round wildlife viewing opportunities and includes the WildWatchCam, Watchable Wildlife on Wildlife Areas, Wildlife Festivals, the Personalized License Plate Awareness Survey and Campaign, and partnerships with local, state and federal agencies, and nonprofit organizations. (General Fund-State, State Wildlife Account-State, various other funds)

Recent declines in marine bird populations within Puget Sound require further investigation to determine their cause(s) and begin implementation of a recovery plan. Additional funding (\$402,000) is provided to the Department to investigate and begin addressing the reductions of marine bird populations. State funds will be used to match and leverage additional resources (\$553,000) from other private and/or government partners. (State Wildlife Account-State)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

**Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

Agency 490

## Department of Natural Resources

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,581.0	67,425	213,049	280,474
<b>Total Maintenance Level</b>	1,576.5	80,713	208,744	289,457
Difference	(4.6)	13,288	(4,305)	8,983
Percent Change from Current Biennium	(0.3)%	19.7%	(2.0)%	3.2%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,576.5)	(80,713)	(208,744)	(289,457)
Technical Adjustment			8	8
Agency Administration	228.3	13,920	44,834	58,754
Aquatic Land and Business Management	41.5		5,117	5,117
Aquatic Lands Enhancement Account (ALEA) Grant Program				
Camps	62.0	3,300	6,460	9,760
Contaminated Sediments	6.0		958	958
Derelict Vessel Program	1.0		1,328	1,328
Dredge Program	1.5		1,282	1,282
Fire Control - Forest Fire Protection Assessment	4.6		450	450
Fire Control - Preparedness	114.7	3,390	9,130	12,520
Contaminated Sediments Liability			1,000	1,000
Fire Control - Training	50.7	2,990	3,190	6,180
Fire Regulation and Prevention	53.3	3,753	7,691	11,444
Fire Suppression		23,581	2,578	26,159
Forest Health Program	4.1	350	210	560
Forest Practices - Implement the Forest Practices Act and Rules	109.7	11,030	1,912	12,942
Forest Practices - Maintain Information Systems	13.9	2,570		2,570
Forest Practices - Manage Adaptively	2.6	1,420	130	1,550
Forest Practices - Resolve Appeals and Litigation	2.0	3,200		3,200
Forest Stewardship	4.4		1,660	1,660
Geology - Geologic Hazards	7.7	880	160	1,040
Geology - Geologic Mapping	7.3	760	260	1,020
Geology - Public Information	.5		30	30
Law Enforcement and Environmental Risk Management	11.5	212	1,673	1,885
Natural Areas	19.5	2,035	724	2,759
Natural Heritage	10.0	869	448	1,317
Oil and Gas Regulation	1.2	160		160
Ownership and Transaction Program	3.5		612	612
Policy and Program Development	16.8		3,096	3,096
Ports Program	2.0		228	228
Public Access and Stewardship	19.3		2,771	2,771
Shellfish Program	13.5		2,258	2,258
Spartina Control and Restoration	3.5		582	582
State Lands Management	569.8	1,831	91,502	93,333
Stewardship Science and Puget Sound Ambient Monitoring Program (PSAMP)	7.6		1,380	1,380
Small Forest Landowner Office	14.4	1,180	460	1,640
Surface Mining	12.6		1,837	1,837

## NATURAL RESOURCES AND RECREATION

	Annual FTEs	General Fund State	Other Funds	Total Funds
Urban and Community Forestry	3.6		270	270
Washington Conservation Corps	4.0	390		390
Employee-related and Internal Service Cost Adjustments		1,020	2,172	3,192
Staff Reductions and Operating Efficiencies	(86.5)	(1,182)	(3,266)	(4,448)
Self-Insurance Premiums		390	700	1,090
<b>Subtotal</b>	<b>(234.4)</b>	<b>(2,664)</b>	<b>(12,909)</b>	<b>(15,573)</b>
<b>Total Proposed Budget</b>	<b>1,342.1</b>	<b>78,049</b>	<b>195,835</b>	<b>273,884</b>
Difference	(238.9)	10,624	(17,214)	(6,590)
Percent Change from Current Biennium	(15.1)%	15.8%	(8.1)%	(2.3)%

### Agency Administration

Core administrative and management functions for the Department include leadership and oversight over all agency operations, policy development, intergovernmental relations, internal audit, media relations, budget development and management, and revenue forecasting. The Financial Management Division oversees revenues, expenditures, payroll, grant and contract management, coordination of risk management, and mail services. Human Resources coordinates appointments, performance management, recruitment, human resource development, training, employee safety and labor relations. The Information Technology (IT) Division manages and maintains IT infrastructures and the IT portfolio, provides support to systems and staff, and coordinates enhancements. The Facilities Management Unit coordinates facilities issues. Environmental and Legal Services coordinates State Environmental Policy Act (SEPA) activities for the agency, agency rulemaking, and public disclosure.

Funding and staffing are reduced \$429,000 on an on-going basis to reflect an administrative reduction. In addition, \$2.4 million in a combination of one-time and on-going funding and staffing are provided to replace the Department's aging Revenue Management System. Further, \$913,000 in a combination of one-time and on-going funding is provided for expanding data storage capacity, and for improving data sharing by consolidating three data-storage systems. Finally, expenditures are reduced by \$3.6 million to match available revenues in the following funds: Resource Management Cost Account, Surface Mining Reclamation Account, Air Pollution Control Account, and Forest Development Account. (General Fund-State, General Fund-Federal, various other funds)

### Aquatic Land and Business Management

This activity authorizes uses of state-owned aquatic lands that encourage public use, foster water-dependent use, ensure environmental protection, utilize renewable resources, and generate revenue by administering signed and pending agreements in good standing, including billing, rent revaluations, loan securities, assignments, and lease compliance. Other activities include addressing environmental and local planning issues, trespasses, and citizen concerns; coordinating litigation support, public disclosure, budget/financial/office management, and leasing contracts; streamlining the use of authorization processes for businesses operating on state-owned aquatic land; and issuing decisions on pending lease applications.

A combination of one-time and on-going funding and staffing is provided to develop and manage conservation and restoration projects on state-owned aquatic lands. (Resource Management Cost Account-State, Aquatic Lands Enhancement Account-State)

### Aquatic Lands Enhancement Account (ALEA) Grant Program

This activity has been transferred to the Interagency Committee for Outdoor Recreation.

## NATURAL RESOURCES AND RECREATION

### Camps

This activity provides trained, cost-effective inmate crews for emergency fire suppression, community, and other work, in coordination with the inmate training and rehabilitation goals of the Department of Corrections and the Department of Social and Health Services' Juvenile Rehabilitation Administration. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### Contaminated Sediments

This activity conducts remedial action investigations and develops processes to protect public uses and limit liability to the state and department by developing policies for contaminated sediments. (Resource Management Cost Account-State, Aquatic Lands Enhancement Account-State)

### Derelict Vessel Program

The Derelict Vessel Removal Program oversees the disposal of derelict vessels and provides matching dollars when acting as an authorized lead agency in vessel removal.

The 2002 Legislature passed Engrossed Substitute House Bill 2376, which gives authorized public entities the authority to seize, remove, and dispose of derelict vessels. Funding is provided for costs associated with removing derelict vessels. (Aquatic Lands Enhancement Account-State, Derelict Vessel Removal Account-State)

### Dredge Program

The Dredge Materials Management Program coordinates permitting, site authorizations, billings, contracting and monitoring of two disposal sites.

On-going funding is provided for increased costs associated with environmental monitoring of open-water disposal sites used for the disposal of dredged material. (Aquatic Land Dredged Material Disposal Site Account-State)

### Fire Control - Forest Fire Protection Assessment

Primary activities include providing accurate and timely collection of fire protection assessments by annually auditing 20 percent of tax assessment rolls, monitoring county collections for accurate distributions of funds; and providing appropriate refunds to taxpayers as provided by law.

All General Fund-State expenditure authority for this activity is shifted on an on-going basis to the Forest Fire Protection Assessment Account. (General Fund-State, General Fund-Federal, various other funds)

### Fire Control - Preparedness

Primary activities include preparing fire mobilization and other plans, purchasing and maintaining fire equipment, and establishing fire precaution levels.

A portion of General Fund-State expenditures are shifted on a one-time basis to the Forest Fire Protection Assessment Account. (General Fund-State, General Fund-Federal, Clarke-McNary Account-Nonappropriated, Forest Fire Protection Assessment Account-Nonappropriated)

### Contaminated Sediments Liability

The Department of Natural Resources manages state-owned aquatic lands in trust for the public and represents the state in federal and state regulated contaminated sediment cleanup processes. Cleanup of contaminated sediments on state-owned aquatic lands is directed by the U.S. Environmental Protection Agency under the Comprehensive Environmental Response and Liability Act or by the Washington State Department of Ecology under the Model Toxics Control Act. (Aquatic Lands Enhancement Account-State)

In the 2002 supplemental budget the Legislature provided \$1.8 million to cover the state's share of costs to clean-up contaminated sediments in the Thea Foss waterway. Additional, one-time funding is provided to complete this clean-up and to fulfill the state's obligations at other sites.

**Fire Control - Training**

The Department provides training for incident-management team members, spring training for seasonal firefighters, periodic training for fireline rated personnel, and maintain fire records for fire district and department personnel in the incident-qualifications system. (General Fund-State, Clarke-McNary Account-Nonappropriated, Forest Fire Protection Assessment Account-Nonappropriated)

**Fire Regulation and Prevention**

This activity conducts a statewide risk assessment of fire hazards, fuels, and forest health in agency-protected forestlands, as well as coordinating assessments on adjacent federal and fire protection district lands. Staff also work to reduce the risks and size of wildfires through regulating burning, hazard abatement, equipment, and movement of people in forested areas; increasing the capacity of fire protection districts to respond; decreasing hazards through manipulation of forest health and fuels in high hazard areas; and educating students and adults about wildfire risks and how to abate or decrease existing and future risks. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

Regulation of burning on timber lands is reduced to match available revenues in the Air Pollution Control Account.

**Fire Suppression**

This activity involves the suppression of fires on timber and range lands protected by the Department. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Landowner Contingency Forest Suppression Account-Nonappropriated)

**Forest Health Program**

The Department annually monitors forest insect and disease conditions, and provides education and technical assistance to state and private forest landowners in efforts to improve forest health. (General Fund-State, Clarke-McNary Account-Nonappropriated)

**Forest Practices - Implement the Forest Practices Act and Rules**

This activity involves processing, reviewing, and making decisions on forest practices applications and notifications. Staff conduct forest practices compliance and enforcement activities, as well as brief adjudicated processes for appealing notices to comply. The unit develops and issues forest practices operational guidance; reviews and approves alternate plans; addresses cultural resources issues; administers the civil penalty process; maintains the Forest Practices website; and reviews and approves road maintenance and abandonment plans. Staff also provide training, conduct forest practices coordination activities, provide stakeholder assistance; support the Forest Practices Board; and develop and update the Forest Practices Board Manual and rules affecting small forest landowners. (General Fund-State, General Fund-Private/Local, Water Quality Account-State)

**Forest Practices - Maintain Information Systems**

This activity maintains the Forest Practices Application Review System and provides basic geographic information system analysis and support for the Forest Practices Program. (General Fund-State, various other funds)

A combination of on-going and one-time funding and staffing are provided to maintain and update computer systems that support the state's Forest and Fish Report, forest practices rules, and salmon recovery.

**Forest Practices - Manage Adaptively**

This activity manages the Forest Practices Adaptive Management Program, and funds and manages Cooperative Monitoring Evaluation and Research Committee projects. (General Fund-State, General Fund-Private/Local)

This research is used to improve the administrators and effectiveness of forest practice rules and to receive federal assurances under the federal Endangered Species Act.

## NATURAL RESOURCES AND RECREATION

### Forest Practices - Resolve Appeals and Litigation

The Department represents and defends the Forest Practices Program in appeals at the Forest Practices Appeals Board and in civil litigation. (General Fund-State)

One-time funding is provided to fulfill the state's obligations under a lawsuit settlement between the Department of Natural Resources and the SDS Lumber Company.

### Forest Stewardship

The Department provides advice, assistance, and educational opportunities to non-industrial private forest owners to enhance stewardship of their lands. (General Fund-State, Clarke-McNary Account-Nonappropriated)

General Fund-State funding and associated staffing are eliminated for this activity on an on-going basis. This will result in about one-third fewer educational and technical assistance contacts with non-industrial private forest owners.

### Geology - Geologic Hazards

Washington State's geography includes geologic conditions that can be hazardous to the public, including volcanic debris flows, earthquakes, tsunamis, and landslides. This activity identifies and describes these hazards, including a statewide soil liquefaction potential map to be used by local governments and the state's Emergency Management Division, and identification of coastal areas at risk for tsunamis. (General Fund-State, General Fund-Federal)

### Geology - Geologic Mapping

With the exception of tsunami hazards, the identification and description of geologic hazards in Washington begin with a geologic map. This activity maps specific locations selected by the State Map Advisory Committee, following consultations with the U.S. Geological Survey and other institutions engaged in similar work. (General Fund-State, General Fund-Federal)

### Geology - Public Information

This activity involves direct or indirect interaction with the general public, organized groups, and the educational community. Educational activities include support for special events, one-on-one interactions, and group visits by home schoolers. In addition, the division increases the availability of electronic versions of products in easily-accessible formats, and develops additional products directed toward a general audience, including road guides and State Park geologic maps. (General Fund-State, General Fund-Private/Local)

General Fund-State funding and associated staffing are eliminated for this activity on an on-going basis. Customers can pursue this information from federal, university, and private-sector sources.

### Law Enforcement and Environmental Risk Management

This activity involves the enforcement of laws within the Department's assigned jurisdictions. Natural resource investigators are dedicated to the protection of the public, agency personnel, and Department property and resources. As a landowner and in accordance with the Model Toxics Control Act, the Department also acts to prevent and clean up damage to state trust lands from garbage dumping, illegal methamphetamine labs, and hazardous waste disposal. (General Fund-State, various other funds)

One-time funding and staff are provided to conduct statewide investigations of complex criminal and civil incidents occurring on DNR managed and protected lands. These investigators are expected to generate \$3 million in cost and restitution recoveries during the 2003-05 Biennium.

### Natural Areas

This program conducts maintenance activities and provides operational support for 115,000 acres of natural area preserves and natural resource conservation areas. These activities allow for the protection of native ecosystems, rare plants, and animal species, while providing low-impact public use where appropriate. The Department is developing volunteer site stewards at nine new sites and increasing public support for the Natural Areas Program through expanded community outreach, and educational and research opportunities. (General Fund-State, General Fund-Federal, various other funds)



A portion of this activity's expenditures is shifted from General Fund-State to the Natural Resources Conservation Areas Stewardship Account on a one-time basis.

#### **Natural Heritage**

This activity identifies significant natural heritage resources through a statewide inventory of natural communities and rare species. The Department maintains and enhances the Natural Heritage database to provide continued identification and protection of significant natural features and the state's biological diversity. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### **Oil and Gas Regulation**

This program issues oil and gas well drilling permits, seismic survey permits, and serves as lead agency for State Environmental Policy (SEPA) compliance on these permits. Activities include processing permit applications, overseeing tests, and ensuring proper cementing of casing in wells. The program continues to oversee proper sealing and abandonment of oil and gas wells, and to review rules and recommend revisions. (General Fund-State)

#### **Ownership and Transaction Program**

This program asserts state ownership and interests, and diversifies the income-producing potential of aquatic resources by developing and coordinating an aquatic resource transaction program; resolving navigability, ownership, and trespass issues; identifying leasing restrictions; and maintaining and distributing ownership and encumbrance data for state-owned aquatic lands. (Resource Management Cost Account-State)

#### **Policy and Program Development**

This program involves the development, coordination, and review of laws, rules, and policies guiding the management of state-owned aquatic lands. Activities include planning for Endangered Species Act and Clean Water Act compliance; developing management guidance for the Cherry Point area; coordinating with local shoreline planning efforts; conducting harbor line assessments; developing guidance for aquatic reserves, right-of-way easements, and mooring buoys; working cooperatively with King County on the Brightwater Treatment Facility project; reviewing rent determination methods on a variety of uses on state-owned aquatic lands, including marinas, rights of way, and non-water dependent uses; writing administrative rules and modernizing the aquatic lands statutes. (General Fund-Private/Local, Resource Management Cost Account-State, Aquatic Lands Enhancement Account-State)

The Department of Natural Resources manages 2.4 million acres of aquatic lands. The Department's management activities have the potential to impact species designated as endangered or threatened under the federal Endangered Species Act (ESA). A combination of one-time and on-going funding and staffing is provided to develop an ESA compliance plan for state-owned aquatic lands managed by the Department.

#### **Ports Program**

This program contracts with ports to manage state-owned aquatic lands where ports either own or lease the adjoining upland parcels. Other activities in these contracts include generating revenues from non-water dependent and other uses of port areas, recovering back rents, and conducting surveys to better identify properties that will increase revenue to the state. (Resource Management Cost Account-State)

#### **Public Access and Stewardship**

This program manages recreation opportunities on department lands, while protecting the environment and involving the public as partners. Activities include implementing the Public Use Strategic Plan; adopting a public use classification system; operating a successful and safe volunteer program; and maintaining recreation facilities as prescribed in the Department of Natural Resources Recreation Site Maintenance Guidelines. (General Fund-State, various other funds)

The Department operates 152 recreation sites and 950 miles of trails statewide. A total of \$429,000 in General Fund-State funding and associated staffing are eliminated for this activity on an on-going basis. This will result in closure of a significant number of sites, however, facilities dedicated solely to off-road vehicle use will still be able to operate. Finally, \$307,000 in expenditures and associated staffing are reduced to match available revenues in the Off-Road Vehicle Accounts reducing trail and parking lot maintenance.

## NATURAL RESOURCES AND RECREATION

### Shellfish Program

This program oversees the commercial harvest of the state geoduck resource and represents proprietary interests in state-tribal shellfish management by harvesting the state's share of the geoduck annual allowable catch; representing the Department on state-tribal shellfish harvest agreements; working with co-managers to protect the resource and enforce regulations; conducting direct sales of geoduck to maximize state revenues; researching possible markets for 'by-catch' species such as horse clams; and expanding purchaser pool and market visibility. (Resource Management Cost Account-State)

Toxin-producing algae present a health hazard to shellfish harvesters. The Department of Natural Resources relies on shellfish biotoxin testing to assure the safe harvest of geoducks, a major revenue producer in support of aquatic lands management. In the past, the Department of Health funded shellfish biotoxin testing, but will no longer provide this service due to budget reductions. On-going funding is provided to the Department of Natural Resources to continue this testing.

### Spartina Control and Restoration

This program reduces the infestation of *Spartina Alterniflora* in Willapa Bay to a level that no longer threatens critical wildlife habitat, native ecosystems and species, and the aquaculture industry. Activities include continued use of proven control methods; testing new control methods; establishing and implementing a monitoring program to assess the effectiveness of department control programs; coordinating efforts with the state departments of Agriculture and Fish and Wildlife, U.S. Fish and Wildlife, and Pacific County; and developing and initiating a restoration plan for areas cleared of spartina. (General Fund-State, Aquatic Lands Enhancement Account-State)

All of this activity's General Fund-State expenditures are shifted to the Aquatic Lands Enhancement Account on an on-going basis.

### State Lands Management

This activity involves land management functions necessary for the optimal management of 2.1 million acres of state trust lands. The Timber Sales Program includes planning, marketing, presales, cruising, and contract administration. The management of commercial business and agricultural functions on upland trusts include communication sites, commercial properties, urban/rural transition lands, rights of way, minerals, and agricultural and grazing leases. Other functions include silvicultural prescriptions and resulting forest-stand treatments; management of forest-stand regeneration on harvested state-owned timber lands; the procurement of tree seed and growth of seedlings suitable for planting on forest lands, including sales to the public; scientific support for the Department's policies and resource management programs; monitoring implementation of the Department's habitat conservation plan; providing inventory and site information for forest, agriculture, grazing, and natural areas lands; developing watershed/basin level plans; and managing the land portfolio through acquisitions, sales, and exchanges. (General Fund-State, General Fund-Federal, various other funds)

General Fund-State funding and associated staffing are reduced \$296,000 on a one-time basis to take advantage of one-time operational efficiencies.

Land management activities are reduced \$187,000 and \$16.1 million to match available revenues in the Forest Development Account and Resource Management Cost Account, respectively.

### Stewardship Science and Puget Sound Ambient Monitoring Program (PSAMP)

This program monitors trends of critical vegetated marine habitats and provides consultation to the Department, local and state agencies, and other groups on near-shore biology and ecology. Activities include tracking temporal trends in the extent of eelgrass in Puget Sound; inventorying floating kelp resources of the Strait of Juan de Fuca and outer coast; providing scientific foundation to policy development and other program activities; and measuring abundance and biodiversity in biotic communities in Puget Sound through the Spatial Classification and Landscape Extrapolation Project. (Aquatic Lands Enhancement Account-State, Resource Management Cost Account-State)

**Small Forest Landowner Office**

The Small Forest Landowner Office helps small forest landowners meet the requirements of the Forest and Fish Act. The office adjusts family forest owner Road Maintenance and Abandonment Plan requirements to alleviate hardship, while maintaining protection for aquatic resources. Other functions include development and management of an alternate plan process for family forest owners, and assistance for family forest owners to create and prepare plans. Activities also include administering the Forestry Riparian Easement; providing technical assistance to family forest owners; supporting the Small Forest Landowner Office's Advisory Committee; and supporting the Forest Practice's Board's family forest Joint Policy Technical Task Force. (General Fund-State, Water Quality Account-State)

**Surface Mining**

This activity evaluates and issues reclamation permits for surface mines, provides technical assistance to operators, and consults with other agencies with jurisdiction on surface mine and metal mine projects. The Department serves as the State Environmental Policy Act (SEPA) lead agency for some actions. (Surface Mining Reclamation Account-State, Metals Mining Account-State)

The Departments of Natural Resources and Ecology both conduct mining-related inspections. By mutual agreement of the two agencies, the appropriations from the Metals Mining Account are transferred from DNR to Ecology on an on-going basis.

**Urban and Community Forestry**

This activity provides coordinated technical, educational, and financial assistance to communities and cities to help establish locally-funded, supported, and maintained urban forestry programs to enhance the quality of life and health in Washington's urban areas. (Clarke-McNary Account-Nonappropriated)

**Washington Conservation Corps**

This program conserves and enhances the natural resources of Washington and work and service experience to young adults. Activities include program management, training, and on-the-ground stewardship work for one-third of the corps. (General Fund-State)

Funding and staffing are reduced for this activity on an on-going basis. A portion of the reduction will be restored through reorganization to maximize the use of state salmon recovery funds and federal Americorp funds. The Department of Ecology will coordinate with the Departments of Fish and Wildlife and Natural Resources to make effective and efficient use of these funds in meeting salmon recovery and water quality priorities.

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

**Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

Agency 495

## Department of Agriculture

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	719.6	15,561	76,297	91,858
<b>Total Maintenance Level</b>	678.4	15,396	76,370	91,766
Difference	(41.2)	(165)	73	(92)
Percent Change from Current Biennium	(5.7)%	(1.1)%	0.1%	(0.1)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(678.4)	(15,396)	(76,370)	(91,766)
Technical Adjustment	.1		(2)	(2)
Agency Management/Administrative Support Services	47.2	2,026	4,818	6,844
Agricultural Fairs	2.0		4,225	4,225
Agricultural Promotion and Protection			1,322	1,322
Animal Health	9.1	1,367		1,367
Chemistry Laboratory	12.0	871	1,549	2,420
Commission Merchants	4.1		524	524
Commodity Commissions		10		10
Feed Regulation	6.8		811	811
Fertilizer Regulation	5.1		768	768
Food Safety	42.5	3,678	2,179	5,857
Fruit and Vegetable Inspection	235.4		22,008	22,008
Grain Inspection	96.0		9,330	9,330
Grain Warehouse Audit	3.6		477	477
Hop Inspection	8.1		806	806
International Marketing	6.2	1,685	1,538	3,223
Livestock Identification	16.3		1,220	1,220
Microbiology Laboratory	12.8	1,332	1,701	3,033
Nursery Inspection	12.7		1,786	1,786
Organic Food Certification	8.9		1,160	1,160
Pesticide Regulation	48.3	694	8,909	9,603
Plant Protection	50.5	2,646	5,088	7,734
Planting Stock Certification	5.1		808	808
Rural Rehabilitation			8	8
Seed Inspection/Certification	28.0		3,091	3,091
Small Farm and Direct Marketing	2.3	141	466	607
Washington Agricultural Statistics Service			35	35
Weights and Measures Inspection	13.0	336	1,334	1,670
Conservation District Audits #			128	128
CREP Technical Assistance #	1.0	1,900		1,900
Dairy Waste Management #			90	90
District Basic Funding #	.3	1,244		1,244
Professional Engineering Grants #	.2		1,500	1,500
State Conservation Commission Administration #	5.7	728	232	960
Employee-related and Internal Service Cost				
Adjustments		300	266	566
Staff Reductions and Operating Efficiencies	(32.2)	(250)	(1,404)	(1,654)
Self-Insurance Premiums		88	332	420
<b>Subtotal</b>	<b>(27.3)</b>	<b>3,400</b>	<b>733</b>	<b>4,133</b>

<b>Total Proposed Budget</b>	651.1	18,796	77,103	95,899
Difference	(68.5)	3,235	806	4,041
Percent Change from Current Biennium	(9.5)%	20.8%	1.1%	4.4%

#### **Agency Management/Administrative Support Services**

This activity provides executive leadership, policy development and review, financial services, computer and information technology services, personnel services, communications, administrative procedures guidance, legal services, and safety and emergency management programs for the department's 25 programs. (General Fund-State, General Fund-Federal, Motor Vehicle Account-State, various other funds)

Administration costs are reduced as part of the reduction to the Washington Agriculture Statistics Service.

#### **Agricultural Fairs**

The Fairs Program provides about \$2 million in financial assistance to agricultural fairs and youth shows each year. The Director of Agriculture appoints a seven-member Fairs Commission to recommend fund allocations to participating fairs. This program coordinates the activities of the Commission, audits all required reports and information from participating fairs, and verifies that fairs operate in compliance with state law. Currently, 70 fairs participate in the Fairs Program. (Fair Account-Nonappropriated)

#### **Agricultural Promotion and Protection**

This short-term program is funded by a one-time federal grant that provides funds to promote and protect the state's agricultural industry during 2003-05. The Department will use these funds to continue the "Heart of Washington" campaign that promotes the sale of the state's food and agricultural products. (General Fund-Federal)

#### **Animal Health**

The Animal Health program protects animals and the public from communicable animal diseases, such as brucellosis, tuberculosis, E. coli O157:H7, salmonella (various types), rabies, Hantavirus, and others. To prevent such diseases from entering the state, the program monitors the movement of animals across state lines by inspecting animals, issuing or denying impact permits, and monitoring mandatory health certificates for all animals entering the state. The program is responsible for emergency management planning to ensure the state is prepared to control introduced foreign animal diseases. It cooperates with universities, the United States Department of Agriculture, and others to collect samples and data.

#### **Chemistry Laboratory**

The Chemistry Laboratory in Yakima supports department programs by analyzing samples taken in investigations of alleged pesticide misuse, monitoring for pesticide residues in foods, and determining if commercial feed and fertilizer samples meet label guarantees. These activities are funded by a mix of state, federal, and local funds. The laboratory also participates in a federally funded program for monitoring pesticide residue levels in fruits, vegetables, and other commodities, and performs fee-for-service chemical analysis for the hop industry. (General Fund-State, General Fund-Federal, Agricultural Local Account-Nonappropriated)

#### **Commission Merchants**

The Commission Merchants program protects agricultural producers against theft, fraud, and unfair business practices by licensing persons and businesses involved in buying and selling agricultural products. Licensees who purchase or handle agricultural products on consignment must be bonded. Funded by license fees, the program investigates producer complaints against commission merchants and cooperates with federal, state, and local law enforcement agencies. (Agricultural Local Account-Nonappropriated)

#### **Commodity Commissions**

This program administers agency responsibilities related to the state's 24 agricultural commodity commissions. Each commission is funded by producers and engages primarily in marketing and/or research related to its specific commodity. The Director of Agriculture is a board member of each commission and is represented by an agency designee. This program handles the nomination and election of Commission members, as well as recommendations to issue or amend commission marketing orders.

### Feed Regulation

The Commercial Feed program regulates the distribution of animal feeds to ensure product identity, quality, and proper labeling. It registers and reviews labels of more than 2,000 pet food products and licenses about 300 manufacturers and initial distributors of other animal feed products. It inspects feed mills for compliance with good manufacturing practices, and also analyzes feed samples to determine accuracy of label guarantees. The program is funded entirely by fees paid by the feed industry. (Agricultural Local Account-Nonappropriated)

### Fertilizer Regulation

This program licenses 2,500 fertilizer products for distribution in the state, and analyzes fertilizer samples to verify label guarantees for plant nutrients and to ensure that heavy metal content does not exceed state standards. It inspects fertilizer facilities and irrigation systems to ensure required safeguards are in place to prevent ground water and surface water contamination. The program is funded entirely by fees paid by the fertilizer industry. (Agricultural Local Account-Nonappropriated)

### Food Safety

This program protects the public from injury and illness caused by food products that are contaminated, adulterated, or otherwise unfit for consumption. This is accomplished through surveillance, regulation, and inspection of the dairy, egg, food processing, and storage industries. Inspectors examine facilities for product adulteration, cleanliness, evidence of rodent infestation, potential for cross contamination with chemicals and toxic materials, appropriate holding temperatures, and sanitary preparation techniques. Staff members conduct 13,000 inspections and tests each year. It is funded by the state General Fund, federal funds, and fees paid by food processors, food storage warehouses, milk processors, and the egg industry. (General Fund-State, General Fund-Federal, Agricultural Local Account-Nonappropriated)

### Fruit and Vegetable Inspection

This program provides inspection services to the fresh produce and processing industry to ensure orderly marketing of fruits and vegetables. Commodities are inspected for quality, size, labeling, condition, and contract specifications, and may be certified as free from disease and insects as required by domestic and international markets. These services are provided through district offices in Yakima and Wenatchee and ten field offices throughout the state. This is a self-supporting, fee-for-service program. (Agricultural Local Account-Nonappropriated, Fruit and Vegetable Inspection Account-Nonappropriated)

### Grain Inspection

This program provides inspection, and analytical and weighing services to ensure orderly commerce for grain, dry peas, dry beans, lentils, rapeseed, and similar commodities sold in or from Washington. These services are offered at eight inspection facilities throughout the state. The program is funded by fees, and as required by federal law, provides service 24 hours a day, seven days a week, upon request. (Grain Inspection Revolving Account-Nonappropriated)

### Grain Warehouse Audit

The Grain Warehouse Audit program protects grain producers from undue losses by licensing, bonding, and auditing warehouses and dealers. Funded by license fees, the program audits grain storage warehouses and grain dealers to assure producers and depositors that licensees are meeting storage requirements and other contractual obligations. (Agricultural Local Account-Nonappropriated)

### Hop Inspection

This program performs physical grading and chemical analysis of the Washington hop crop (75 percent of the nation's supply) and a significant portion of Oregon and Canadian crops to ensure orderly international and domestic marketing. This is a self-supporting program that is funded by fees paid by hop producers and dealers for requested services. (Agricultural Local Account-Nonappropriated)

### International Marketing

This program assists food and agricultural companies in selling their products internationally. It contracts with trade representatives in the major markets of Japan and Taiwan to assist state businesses with export transactions and market development. It offers one-on-one assistance to export-ready businesses; organizes and leads companies on

trade missions and to major trade shows; and develops and distributes information to buyers on the state's agricultural suppliers. The program works closely with commodity commissions and the Office of the Governor's Trade Representative, which it jointly funds, to fight trade barriers that prevent or limit overseas market access for Washington's agricultural and food products. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

#### **Livestock Identification**

This program maintains the official recordings of approximately 7,000 livestock brands. As a theft prevention measure, cattle and horses are inspected for brands or other proof of ownership at public livestock markets, slaughter plants, certified feed lots, and at any change of ownership. About 650,000 cattle and 15,000 horses are inspected annually. The program licenses and bonds public livestock markets to ensure proper payment for cattle, and also licenses and audits certified feed lots to verify inspection certificates for slaughtered cattle. This program is funded through fees paid by the livestock industry. (Agricultural Local Account-Nonappropriated)

#### **Microbiology Laboratory**

The Microbiology Laboratory located in Olympia supports the Department's Food Safety program by testing food and dairy products for food poisoning organisms and by examining food products for contamination by insects, rodents, or filth. The laboratory also tests dairy products for quality and to meet requirements for the interstate shipment of milk. Laboratory staff members inspect and certify commercial and dairy-industry laboratories performing officially sanctioned dairy microbiology. It also supports the agency's Animal Health program by testing animal blood and tissue for disease. (General Fund-State, General Fund-Federal, Agricultural Local Account-Nonappropriated)

#### **Nursery Inspection**

This program inspects nurseries to ensure that consumers and the nursery industry are provided healthy, pest-free, and disease-free plant materials. The program enforces agricultural quarantines to prevent pest introduction and, on request, provides inspection services to certify that Washington nursery stock and plant materials are free from disease and insects, as required by domestic and international markets. The program is funded by license fees paid by nursery dealers and fees paid for requested inspections. (Agricultural Local Account-Nonappropriated)

#### **Organic Food Certification**

The Organic Food program protects consumers and supports the organic food industry by ensuring that all food products making organic claims meet state standards for organic production and labeling. It inspects, certifies, and provides technical assistance to more than 750 organic producers, processors, and handlers. The program is funded by fees paid by the organic industry. (General Fund-Private/Local, Agricultural Local Account-Nonappropriated)

#### **Pesticide Regulation**

The Pesticide program regulates the sale and use of pesticides in Washington. It investigates complaints of pesticide misuse, conducts field inspections of pesticide manufacturers and applicators, and provides technical assistance to pesticide users. It annually reviews and registers more than 8,000 pesticide products for use in the state. It administers a program to train Spanish-speaking farm workers in the safe and legal use of pesticides, and manages the waste pesticide program which disposes of canceled, suspended, or unusable pesticides. It also protects resources such as ground water from pesticide or fertilizer contamination and has initiated a program to evaluate and mitigate the impact of pesticides. (General Fund-State, General Fund-Federal, various other funds)

#### **Plant Protection**

The Plant Pest program protects the state's resources by preventing the establishment of high risk insects, plant diseases, and weeds. Staff members conduct surveys and inspections, disseminate information, enforce agricultural quarantines, provide laboratory diagnostic services, review and permit the release of certain insects and exotic plant pathogens, and carry out projects to eradicate pests. The program coordinates statewide efforts to control purple loosestrife and to eradicate spartina, both non-native aquatic weeds. It works with the State Noxious Weed Control Board and is responsible for noxious weed control in counties without weed boards. (General Fund-State, General Fund-Federal, various other funds)

## NATURAL RESOURCES AND RECREATION

### **Planting Stock Certification**

The Planting Stock Certification program provides testing and inspection services to ensure disease-free planting stock for various agricultural industries. Voluntary certification programs are currently provided for fruit trees and related ornamentals, seed potatoes, hops, grapes, mint, garlic, and strawberries. This is a self-supporting, fee-for-service program. (Agricultural Local Account-Nonappropriated)

### **Rural Rehabilitation**

The Rural Rehabilitation program administers a trust fund that provides loans and grants for purposes that benefit low-income rural residents and/or farmers. These funds are currently used for the state's Women-Infant-Children Farmers' Market program, and grants to rural education and rural youth programs. (Agricultural Local Account-Nonappropriated)

### **Seed Inspection/Certification**

This program conducts pre-harvest field inspections and laboratory testing of agricultural, vegetable, and flower seeds grown under the seed certification program. It tests seed samples submitted by seed growers and companies to determine compliance with purity and germination standards and to certify seed for domestic and international marketing. It also operates the only official seed testing laboratory in the state. This is a self-supporting, fee-for-service program. (Agricultural Local Account-Nonappropriated)

### **Small Farm and Direct Marketing**

The Small Farm and Direct Marketing program works to improve the viability of the state's small farms by reducing market barriers and developing or enhancing direct marketing opportunities for farmers. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

### **Washington Agricultural Statistics Service**

This is a cooperative program with the United States Department of Agriculture that collects and publishes statistical data on the state's agricultural industry for use by those in agriculture, government, and business. The data include estimates of crop size and value, production, cost, and other information.

Funding and staffing are reduced on an ongoing basis to reflect removal of General Fund-State support for this function. The effect of this change will be production of fewer county-level crop analyses, while retaining state-level crop analyses. (General Fund-State, General Fund-Federal)

### **Weights and Measures Inspection**

This program regulates the use and accuracy of all commercial weighing, measuring and counting devices, including gas pumps, grocery store scale systems, price scanners, vehicle-tank meters, and liquid petroleum gas measuring devices. Staff inspect and test devices for accuracy and suitability for service and inspect packaged commodities for correct content (expressed in net weight, volume or count), labeling, and pricing. The program operates the state Metrology Laboratory, which houses the official state standards of weights and measures, and provides calibration services to businesses, laboratories, and government entities. (Agricultural Local Account-Nonappropriated, Motor Vehicle Account-State)

### **Conservation District Audits #**

This activity supplies funding to cover annual auditing expenses for the state's 48 conservation districts. (Water Quality Account-State)

This activity has been transferred to the Department of Agriculture from the Conservation Commission.

### **CREP Technical Assistance #**

The Conservation Reserve Enhancement Program (CREP) is a federal-state partnership created in 1998. It is a voluntary, streamside restoration program focused on enhancing salmon habitat on agricultural lands. Grants are provided to the 33 eligible conservation districts statewide to provide technical expertise to landowners in developing and implementing these projects.

This activity has been transferred to the Department of Agriculture from the Conservation Commission.



**Dairy Waste Management #**

Grants are provided to local conservation districts to assist dairy producers in developing and implementing dairy nutrient management plans. (Dairy Waste Management Account-Nonappropriated)

This activity has been transferred to the Department of Agriculture from the Conservation Commission.

**District Basic Funding #**

Grant funds are provided annually to each of the state's conservation districts for basic administrative functions necessary to achieve water-quality and natural-resource preservation goals.

This activity has been transferred to the Department of Agriculture from the Conservation Commission.

**Professional Engineering Grants #**

This program provides professional engineering services to private landowners through local conservation district staff. In addition to protecting and enhancing natural resources, this technical assistance and oversight ensures that landowner projects, ranging from dairy nutrient-management practices to salmon recovery efforts, will meet their intended goals. (Water Quality Account-State)

This activity has been transferred to the Department of Agriculture from the Conservation Commission.

**State Conservation Commission Administration #**

This program provides administrative oversight, technical assistance, training, and counsel to the boards and staff of the state's 48 conservation districts, as well as grant and contract management services. (General Fund-State, Water Quality Account-State)

Funding and staffing are reduced on an on-going basis to reflect merger savings and elimination of the capital budget-funded Dairy Nutrient Grants program.

This activity has been transferred to the Department of Agriculture from the Conservation Commission.

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

**Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.



Agency 205

**Board of Pilotage Commissioners****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1.5		309	309
<b>Total Maintenance Level</b>	1.5		268	268
Difference			(41)	(41)
Percent Change from Current Biennium	0.0%		(13.3)%	(13.3)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1.5)		(268)	(268)
Marine Pilot Regulation	1.5		309	309
Employee-related and Internal Service Cost Adjustments			(38)	(38)
<b>Subtotal</b>			3	3
<b>Total Proposed Budget</b>	1.5		271	271
Difference			(38)	(38)
Percent Change from Current Biennium	0.0%		(12.3)%	(12.3)%

**Marine Pilot Regulation**

The Board of Pilotage Commissioners is a regulatory board appointed by the Governor and confirmed by the Senate, consisting of nine part-time members and one full-time staff person. Marine pilots are trained, tested, licensed, and regulated by the board in order to provide efficient compulsory pilotage services, maintain a safe marine environment, and develop and encourage waterborne commerce for Washington State. The board annually sets tariffs for which a pilot must charge for pilotage services performed aboard vessels; adopts rules and regulations; and may take disciplinary action against pilots and/or vessel owners who violate state pilotage laws. (Pilotage Account-State)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

# TRANSPORTATION

Agency 225

## Washington State Patrol

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	2,303.1	31,059	306,664	337,723
<b>Total Maintenance Level</b>	2,307.6	44,320	294,069	338,389
Difference	4.5	13,261	(12,595)	666
Percent Change from Current Biennium	0.2%	42.7%	(4.1)%	0.2%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(2,307.6)	(44,320)	(294,069)	(338,389)
Administrative Support Services	9.0	90	931	1,021
Aerial Highway Traffic Enforcement	16.3	320	4,732	5,052
Collision Records				
Commercial Vehicle Safety Enforcement	255.0		30,726	30,726
Communications	168.0	7,564	8,810	16,374
Crime Laboratory	125.0	7,662	13,392	21,054
Criminal Records Management	93.5	5,526	8,423	13,949
Disability Benefit	35.0		4,498	4,498
Executive Protection	46.5	2,714	560	3,274
Financial Management	47.5	1,252	11,890	13,142
Fire Protection Services	23.7	3,794	399	4,193
Highway Traffic Enforcement and Emergency Operations	989.1		125,421	125,421
Human Resource Management	21.0	208	2,360	2,568
Implied Consent	20.0		2,752	2,752
Electronic Services	106.5	7,696	22,651	30,347
Investigative Assistance for Drug Enforcement	80.5		12,086	12,086
Law Enforcement Training	26.7		3,088	3,088
Missing Children Recovery	5.0	248	800	1,048
Office of the Chief	24.0		2,951	2,951
Property Management Division	82.0	2,022	25,585	27,607
Specialized Outreach Fire Services	35.1	381	7,619	8,000
Toxicology Laboratory	19.5		4,227	4,227
Traffic and Auto Theft Investigation	82.0		10,158	10,158
Vehicle Identification Number (VIN) Inspection	18.0		2,626	2,626
Capital Programs			4,348	4,348
Employee-related and Internal Service Cost Adjustments		786	4,362	5,148
Staff Reductions and Operating Efficiencies	(50.0)	(380)	(2,378)	(2,758)
Self-Insurance Premiums		58	508	566
<b>Subtotal</b>	(28.7)	(4,379)	19,456	15,077
<b>Total Proposed Budget</b>	2,278.9	39,941	313,525	353,466
Difference	(24.2)	8,882	6,861	15,743
Percent Change from Current Biennium	(1.1)%	28.6%	2.2%	4.7%

### **Administrative Support Services**

The Administrative Division provides services for the agency's Office of the Chief. The legislative liaison is responsible for coordinating agency legislation with legislators, committees, and other state agencies; seeking and reviewing input from interested stakeholders on agency legislation; and answering policy questions for legislative constituents. The Office also handles all media relations for the agency. Personnel assigned to Government and Media Relations provide assistance and training to the district public information officers, answer media inquiries dealing with agency policy, and monitor regional news broadcasts and publications. The division also provides agency publications, photography, video production, word processing, and mail services. (General Fund-State, State Patrol Highway Account-State)

### **Aerial Highway Traffic Enforcement**

Pilots in the Aviation Section assist troopers in detecting traffic violations from the air, as well as providing assistance to agency staff and local jurisdictions with drug enforcement and aerial surveillance, and transporting donor organs and blood supplies in medical emergencies. The section also provides air transportation for the Governor and the Lieutenant Governor. (General Fund-State, State Patrol Highway Account-State)

Additional funding of \$1,158,000 is provided for the following items:

One-time funding for mandatory maintenance and upgrades of the State Patrol's 1991 Beechjet 400A aircraft. Maintenance items include the overhaul of two engines and replacement of two impellers. Upgrade items include installation of Reduced Vertical Separation Minimum equipment and a "Class A" Terrain Awareness and Warning System.

One-time funding for maintenance and modifications of the State Patrol's 1975 King Air 200 aircraft in order to comply with Federal Aviation Administration (FAA) requirements and uphold flight safety standards. These upgrades include a global positioning system certified for non-precision landing approaches, hydraulic landing gear, brake de-icing system, high flotation landing gear, wing spar strap, auto pilot/flight director, and a FAA-mandated "Class B" Terrain Awareness and Warning System.

### **Collision Records**

The Collision Records Section is the repository for statewide officer and civilian collision reports, and compiles statistical data for the Departments of Transportation and Licensing. The section provides copies of the Police Traffic Collision Report and the Vehicle Collision Report to eligible persons, upon application and submission of a non-refundable fee to process the application. (State Patrol Highway Account-State)

This activity has been eliminated from the Washington State Patrol. Functional responsibility and funding have been transferred to the Department of Transportation.

### **Commercial Vehicle Safety Enforcement**

This program consists of the Commercial Vehicle Enforcement Section, the Motor Carrier Safety Assistance Program, the School Bus Inspection Program, the Compliance and Review Section, the Tow Truck Inspection Unit, and the Equipment and Standards Review Unit. (State Patrol Highway Account-State, State Patrol Highway Account-Federal)

To ensure increased security against harmful shipments entering Washington State, seven additional Commercial Vehicle Officer positions are provided for deployment at the five Ports of Entry (POEs) operated by the Washington State Patrol's Commercial Vehicle Division. This additional staffing will enable the POEs to provide increased safety and compliance inspections of commercial vehicles by ensuring at least two officers are available per shift, twenty-four hours a day, seven days a week. Funding of \$176,000 represents a 25 percent match for Federal Homeland Security funds appropriated in the Military Department.

## TRANSPORTATION

### Communications

The Communications Division operates a 24-hour, year-round, statewide emergency communications system, which includes eight centers. The division provides emergency dispatch services for mobile units of the Washington State Patrol, Department of Fish and Wildlife, Liquor Control Board, Department of Transportation, State Parks, and other state and federal agencies. (General Fund-State, State Patrol Highway Account-State, State Patrol Highway Account-Private/Local)

### Crime Laboratory

The Washington State Patrol Crime Laboratory Division operates full-service crime laboratories in Seattle, Tacoma, Marysville, Spokane, and limited-service crime laboratories in Kelso, Kennewick, and Tumwater. The laboratories provide forensic services for criminal justice agencies within the state and are accredited through the American Society of Crime Laboratory Directors (ASCLD). Forensic laboratory services include biochemistry of body fluids; examination of firearms/toolmarks; microanalysis of trace evidence; general criminalistics of physical evidence; chemical analysis of evidence and controlled substances; examination of questioned documents; latent fingerprint identification; crime scene assistance; clandestine laboratory assistance; and training for criminal justice agencies. (General Fund-State, Death Investigations Account-State, Public Safety and Education Account-State, County Criminal Justice Assistance Account-State, Municipal Criminal Justice Assistance Account-State, Federal Seizure Account-Nonappropriated)

Five FTE staff years, and \$135,000, is provided as a match for Federal Homeland Security funding to acquire additional forensic/investigative resources in the State Patrol Crime Laboratory.

### Criminal Records Management

This section manages and operates the statewide law enforcement telecommunications system, A Central Computerized Enforcement Service System (ACCESS), and the Washington Crime Information Center (WACIC). ACCESS provides telecommunications linkage to law enforcement, criminal justice agencies, and associated state databases. The system allows contact with other agencies nationwide through the National Law Enforcement Telecommunications System (NLETS) and access to National Crime Information Center (NCIC) files. The WACIC is a computerized database of stolen property, wanted persons, missing persons, and other information of interest to law enforcement officers and associated criminal justice agencies throughout the state. The Identification and Criminal History Section is the repository for statewide fingerprint-based criminal history record information (CHRI) and sex/kidnapping offender registration. The Missing and Unidentified Persons Unit (M/UPU) is the repository for dental data and other descriptive data on persons reported missing for longer than 30 days and human remains that cannot be identified. CHRI is made available to criminal justice practitioners and the public and private sectors via mail, telecommunications, and the Internet. Other services include technical fingerprint assistance and facilitation in the identification of missing or unidentified persons. (General Fund-State, Public Safety and Education Account-State, Fingerprint Identification Account-State)

### Disability Benefit

This activity administers temporary and permanent disability benefits paid to Washington State Patrol employees injured on the job. (State Patrol Highway Account-State)

### Executive Protection

This section provides security for the Governor, the Governor's family, and the Lieutenant Governor. Executive Protection personnel also provide law enforcement, visitor security, and parking enforcement on the state Capitol Campus and at the Department of Labor and Industries. (General Fund-State, Public Safety and Education Account-State)

Increased threat readiness and large-scale construction projects on the State Capitol Campus have increased the need for patrol presence. An additional five trooper cadets and one sergeant are provided to ensure adequate coverage for key Capitol Campus locations. The \$180,000 increase represents a 25 percent match for Federal Homeland Security funding. Federal funds are appropriated in the Military Department.

Other ancillary administrative support costs are shown in other activities.

### **Financial Management**

The Budget and Fiscal Services Division manages all of the agency's financial activities, including budgeting, accounts payable, accounts receivable, payroll, and contracting. The Division also manages payments to other agencies through revolving funds. (General Fund-State, State Patrol Highway Account-State)

### **Fire Protection Services**

The State Fire Marshal and Fire Protection Bureau have broad responsibility to ensure fire and life safety for the people of Washington State. The Fire Protection Bureau consists of Emergency Mobilization, Fire Code and Information Services, Fire Services Training, and Regional Fire Protection Services. The Fire Code Section is active in developing state and national fire codes, and the Public Education Section provides educational information to the public, media, and fire service community. Seven International Fire Service Accreditation Congress (IFSAC) levels are available to fire service personnel for certification by the Accreditation and Certification Unit. Regional Fire Protection Services staff work with organizations in nine bureau regions to provide services to the local communities and local fire personnel. The State Fire Marshal's Office also conducts fire and life safety inspections in nursing homes, residential care facilities, and child care centers. (The Board is responsible for establishing a comprehensive state policy regarding fire protection services and advising the Chief of the Washington State Patrol and the State Fire Marshal on matters relating to their duties under state law. The State Fire Marshal's Office also administers the activities of the Fire Protection Policy Board which consists of eight members representing fire chiefs, fire commissioners, volunteer firefighters, career firefighters, the insurance industry, cities, towns, counties, and the Department of Natural Resources.) (General Fund-State, Fire Service Trust Account-State, Fire Protection Contractor License-Nonappropriated)

### **Highway Traffic Enforcement and Emergency Operations**

The Field Operations Program oversees patrolling on state highways in eight districts. Commissioned troopers are responsible for enforcing traffic laws, investigating collisions, assisting motorists, and providing a safe motoring environment for the public on 17,524 miles of state highway. The Field Operations Program also oversees the Aviation Section, the Canine Unit, the Explosives Unit, the Washington State Patrol Honor Guard, and Vessel and Terminal Safety. (State Patrol Highway Account-State, State Patrol Highway Account-Private/Local)

The 2002 Legislature provided the Washington State Patrol with one-time funding of \$1,800,000 to provide enhanced security for Washington State Ferries. Currently, troopers working overtime shifts provide this security. Since the need for enhanced ferry security will extend indefinitely as a result of homeland security issues facing the nation, the State Patrol is provided \$646,000 as the 25 percent match required for Federal Homeland Security funding for 13 additional troopers assigned to Vessel and Terminal Security (VATS).

A high-quality, dependable radio communications system is literally a lifeline for emergency responders and citizens in danger. Funding is provided to replace 274 handheld (portable) and 923 vehicular (mobile) radios for State Patrol officers in Field Force and the Commercial Vehicle Division. Funding of \$1,734,000 represents a 25 percent match for an additional \$5,203,000 in Federal Homeland Security funding appropriated in the Military Department.

Ancillary support costs of \$154,000 are funded in Property Management Activity.

### **Human Resource Management**

The Human Resource Division (HRD) provides human resource services to Washington State Patrol employees, the agency, and the public. HRD processes trooper applications and maintains eligibility lists in accordance with Field Operations Bureau staffing needs. HRD also conducts position reviews and promotional exams. More than half of all Washington State Patrol employees work in a variety of non-commissioned jobs to support the State Patrol's mission. These employees work in management, trades, computer technology, inspections, electronics, forensic science, and communications, as well as other office and field support positions. (General Fund-State, State Patrol Highway Account-State)

### Implied Consent

The Implied Consent Section is made up of the Breath Test and Drug Recognition Expert Programs of the Washington State Patrol. Drug recognition experts in the Drug Evaluation and Classification Program (DEC) are trained to recognize the symptoms of intoxication for seven different categories of drugs. A 12-step standardized process is used to identify drug impairment. The State Patrol provides training in this area to troopers and officers from local law enforcement agencies. The Breath Test Program manages and maintains all evidentiary breath-testing instruments in the state and provides all re-certification training. The section provides computerized statistical data and analysis related to driving under the influence (DUI) enforcement to members of the criminal justice system. It also provides expert witness testimony in support of the statewide breath alcohol testing program. (State Patrol Highway Account-State)

### Electronic Services

The Electronic Services Division provides the Washington State Patrol with engineering skills in communication, electronic, networking, analog, and digital designs. The Division maintains statewide emergency communications systems used by the State Patrol and other state and federal agencies. The section is responsible for the repair and maintenance of all State Patrol communications equipment and systems, including portable radios, mobile radios, mobile computer systems, speed-measuring devices, and communications center radios. The Information Technology Division supports the State Patrol in evaluating new software, writing/developing programs, and providing project managers to manage information technology. This program includes a 24-hour, 7-day-a-week data center operation to monitor mission-critical programs and provide computer support for all of the State Patrol. Traffic law enforcement, criminal justice, and administrative databases are maintained in support of the business operations of the agency. (General Fund-State, Public Safety and Education Account-State, State Patrol Highway Account-State)

\$7,742,000 in additional funding is provided to match \$6,575,000 in Federal Homeland Security funding, appropriated in the Military Department, to begin the first of three phases to upgrade the agency's voice and data infrastructure to provide the foundation of a consolidated digital radio system for federal, state, and local public safety providers. This proposal has been approved by the State Interoperability Executive Committee (SIEC).

An additional \$2,620,000 is provided to the State Patrol to enact a Technology Business Continuation plan to ensure the agency can maintain service to internal and external technology customers, while also laying a foundation for a rational progression of the agency's technological infrastructure.

### Investigative Assistance for Drug Enforcement

The Investigative Assistance Division provides investigative coordination, support, and training that fosters a collaborative response by criminal justice and other agencies to criminal activity. The Narcotics Section provides ongoing drug investigation training for the Washington State Criminal Justice Training Commission and local Clandestine Laboratory teams. The Division's Task Force Coordinator monitors the progress of federally-funded task forces throughout the state. The coordinator is responsible for conducting meetings with task force commanders, developing training, and maintaining communication links between task forces. The coordinator also oversees task force interests at the Governor's Drug Policy Committee, the Bureau of Justice Assistance Conferences, and with the Department of Community, Trade and Economic Development. The Statewide Incident Response Team (SIRT)-Clandestine Laboratory Program responds to tactical incidents and clandestine drug labs with highly trained personnel to dismantle all types of drug laboratories and safeguard the public and law enforcement officials from the dangerous chemicals present. The Clandestine Laboratory Team executes search warrants, arrests suspects, and processes evidence for criminal prosecution. The Criminal Intelligence Unit (CIU) provides assistance ranging from simple information requests to ongoing assistance with complex criminal investigations to criminal justice agencies. The unit also provides training to troopers, sergeants, and local law enforcement agencies on gang enforcement and trends. The Computer Forensics Unit provides computer forensic technical support and training to criminal justice agencies, and recovers relevant evidence that may exist on computer hard drives and other storage media for use in related criminal and internal investigations. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Public Safety and Education Account-State, Federal Seizure Account-Nonappropriated, Violence Reduction/Drug Enforcement Account-State, State Seizure Account-Nonappropriated)



General Fund-State support for this activity is eliminated (\$4,507,000), and partially replaced with \$4,000,000 in Public Safety and Education Account-State funds. The net reduction of \$507,000 will necessitate the elimination of 1.2 Trooper Detective FTE staff years in the Narcotics Section and 1.0 FTE staff years in the Methamphetamine Resource Center.

#### **Law Enforcement Training**

The Training Division administers all training programs for State Patrol employees and provides training for other law enforcement agencies on a reimbursement basis. The Training Academy develops and implements training programs based on agency needs. The Academy also has an Emergency Vehicle Operators Training Program used by law enforcement agencies throughout Washington, as well as trooper basic training, and training in communications, firearms, commercial vehicle enforcement, first aid, basic supervision, management, and other fields related to law enforcement. (State Patrol Highway Account-State)

#### **Missing Children Recovery**

The Missing and Exploited Children Task Force (MECTF) is a multi-agency task force that assists law enforcement, state and federal agencies, and custodial parent(s) or guardian(s) by conducting investigations on missing, abducted, and exploited children through referrals, on-site assistance, case management, and training. The Missing Children Clearinghouse coordinates the exchange of information between law enforcement agencies, citizens, schools, the Department of Social and Health Services, and other interested groups regarding the location and return of missing children. (General Fund-State, Public Safety and Education Account-State)

#### **Office of the Chief**

The Office of the Chief provides administrative and operational control for the Washington State Patrol. Administrative support includes labor and risk management, and enforcement of professional standards. (State Patrol Highway Account-State)

#### **Property Management Division**

The Property Management Division is responsible for providing comprehensive facilities management through the capital and operating budget process. This division consists of the Fleet, Property Management, and Supply Sections. The Fleet Section acquires, equips, and maintains patrol vehicles and related emergency equipment for the agency. Personnel also manage a statewide replacement and retirement schedule for all agency vehicles. The Property Management Section is responsible for the acquisition, design, construction, equipping, maintenance, and disposal of all departmental facilities, such as district and detachment offices, electronic scale facilities, communications towers, and storage facilities. The Supply Section provides materials management through acquisition, asset accountability, and disbursement of purchased and stored supplies. The section orders and issues equipment and uniform items for the entire agency. (General Fund-State, General Fund-Private/Local, Death Investigations Account-State, Public Safety and Education Account-State, State Patrol Highway Account-State, Fire Service Training Account-State, Fire Protection Contractor License-Nonappropriated, Fingerprint Identification Account-State)

The delay in purchasing 45 new patrol pursuit vehicles will generate savings of \$2,318,000.

Funding associated with the crime lab staffing increase and support costs for field force staffing of \$173,000 are included in this activity.

#### **Specialized Outreach Fire Services**

The State Fire Training Academy serves local communities, state agencies, and industry by providing live fire training to fire and emergency response personnel, both public and private. Emergency Mobilization personnel provide planning, training, and technical assistance for emergency response to State Patrol personnel and other state and local personnel, on incidents involving hazardous materials, earthquakes, nuclear facilities, and other high-risk emergencies. The Firefighter I Program provides city fire departments and fire protection districts with financial support to facilitate and enable the training of fire fighters to minimum safety requirements. Participation is open to any city fire department or fire protection district in the state. (General Fund-State, State Patrol Highway Account-State, State Patrol-Private/Local, Fire Service Training Account-State, State Toxics Control Account-State, Fire Protection Contractor License-Nonappropriated)

A reduction of \$38,000 is necessitated by declining revenues from the State Toxic Control Account-State.

## TRANSPORTATION

### **Toxicology Laboratory**

The Washington State Toxicology Laboratory performs drug and alcohol testing for coroners, medical examiners, police agencies, prosecuting attorneys, and the state Liquor Control Board. The laboratory receives about 7,000 cases per year, of which approximately 50 percent are driving under the influence (DUI) cases and 50 percent are coroner/medical examiner cases. Toxicologists process samples in rotation and spend an average of two days a week in court testifying in DUI-related cases. (Death Investigations Account-State)

### **Traffic and Auto Theft Investigation**

The Traffic Investigation Division conducts investigations into vehicular homicides, vehicular assaults, felony hit-and-runs, auto thefts, crimes on the Capitol Campus, and threats against elected officials. It provides investigative follow-up to all felony crimes discovered by uniformed line troopers, allowing troopers to return to their primary traffic enforcement duties. The Division also has staff assigned to the Fuel Tax Evasion Task Force which works to educate the public and industry on the fuel tax laws; investigates suspected fuel tax evasion; and pursues criminal and civil prosecution of fuel tax evaders. The Washington State Patrol Crime Scene Response Team (CSRT) is a joint effort of the Crime Laboratory Division, the Traffic Investigation Division, and the Identification Section. CSRT provides comprehensive investigative services at crime scenes at the request of any law enforcement agency in the state. (County Criminal Justice Assistance Account-State, State Patrol Highway Account-State)

### **Vehicle Identification Number (VIN) Inspection**

The Vehicle Identification Number (VIN) Section conducts physical inspections on vehicles that have been rebuilt after being destroyed or declared a total loss by an insurance company. The Section also performs physical inspections as required on vehicles reported stolen, homemade vehicles, vehicles without a proper VIN, or in any VIN discrepancy. During a physical VIN inspection, a vehicle is examined at a Washington State Patrol VIN inspection station to ensure it matches the documentation presented to the inspector and the Department of Licensing during a title transaction. The actual VIN plate and sticker are also checked to ensure they are authentic and match the vehicle's documentation. The VIN is also checked against state and federal stolen vehicle databases. (State Patrol Highway Account-State)

### **Capital Programs**

\$3,722,000 is provided for capital improvements at district and detachment offices statewide during the 2003-2005 Biennium. These projects include emergency generator replacement, land acquisition for the Walla Walla detachment office, renovation of District 2 headquarters, and other minor works projects. (State Patrol Highway Account-State)

\$626,000 is provided for improvements at the State Patrol's Shelton Training Academy during the 2003-2005 Biennium, including the design and partial construction of a water/sewer system. (State Patrol Highway Account-State)

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

**Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

Agency 228

**Traffic Safety Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	19.0		8,973	8,973
<b>Total Maintenance Level</b>	19.0		19,053	19,053
Difference			10,080	10,080
Percent Change from Current Biennium	0.0%		112.3%	112.3%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(19.0)		(19,053)	(19,053)
Improve Traffic Safety on Washington Roadways	19.0		20,469	20,469
Employee-related and Internal Service Cost Adjustments			52	52
Staff Reductions and Operating Efficiencies	(.1)		(28)	(28)
<b>Subtotal</b>	(.1)		1,440	1,440
<b>Total Proposed Budget</b>	18.9		20,493	20,493
Difference	(.1)		11,520	11,520
Percent Change from Current Biennium	(0.5)%		128.4%	128.4%

**Improve Traffic Safety on Washington Roadways**

The Washington Traffic Safety Commission consists of the Governor and officials from state and local government. The Commission promotes information and education campaigns related to traffic safety; coordinates development of statewide and local traffic safety activities; and promotes uniform enforcement of traffic safety laws. Commission staff collects and analyzes traffic safety-related data to assist in targeting efforts to reduce the number of fatalities and serious injuries. Staff also conducts research to define problem areas, identify and evaluate solutions, and track progress. State traffic safety goals are established each year, and public opinion and behavior surveys are conducted annually. The Commission also provides grants to state and local agencies to support innovative projects to improve traffic safety across a broad spectrum of priority areas and disciplines. (Highway Safety Account-State/Federal, Bicycle and Pedestrian Safety Account-Nonappropriated, School Zone Safety Account-State)

Established in 1996, the School Zone Safety Account provides for enforcement activities, community and school district projects, and educational programs to improve traffic safety in school zones throughout the state. Increased spending authority of \$1,500,000 is provided commensurate with projected revenues to the account. (School Zone Safety Account-State)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

# TRANSPORTATION

Agency 240

## Department of Licensing

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,265.6	10,896	197,554	208,450
<b>Total Maintenance Level</b>	1,258.2	10,369	200,865	211,234
Difference	(7.4)	(527)	3,311	2,784
Percent Change from Current Biennium	(0.6)%	(4.8)%	1.7%	1.3%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,258.2)	(10,369)	(200,865)	(211,234)
Regulatory, Licensing, Registration, and Certification	63.7	3,360	3,879	7,239
Administration and Information Technology Support	31.4	1,861	4,417	6,278
Firearms Program	6.3	611		611
Master License Service	41.4		4,970	4,970
Licensing, Registration and Regulatory Program	35.8	1,486	5,738	7,224
Uniform Commercial Code	17.0		1,685	1,685
Chief Information Officer (CIO) Office	7.0	70	1,596	1,666
Customer Support Services	15.5	204	3,532	3,736
Accident Processing	16.9		1,269	1,269
Administrative Support	35.4		12,219	12,219
Commercial Driver License (CDL) Program	3.9		1,765	1,765
Commercial Driving Schools (CDS) Program	2.3		308	308
Customer Service Unit (CSU)	17.8		1,696	1,696
Document Processing	26.7		2,084	2,084
Driver Examining Administrative Support	14.7	13	11,242	11,255
Driver Responsibility Administration	11.9		3,756	3,756
Hearings and Interviews	44.3		5,516	5,516
Imaging Processing	14.0		1,075	1,075
Licensing Services Offices	338.3		42,492	42,492
Mandatory Suspensions	19.1	148	1,489	1,637
Motorcycle Safety Program	1.5		2,548	2,548
Reinstatements	17.7		1,522	1,522
Technical Reporting	17.0		1,500	1,500
Information Technology Services (ITS)	43.5	320	12,410	12,730
Accounting	45.6	235	3,529	3,764
Assistant Director, Administrative Services	5.0	41	617	658
Budget and Program Support	9.0	80	1,200	1,280
Decentralized Administration Services	2.0	145	2,904	3,049
Decentralized Information Services	7.0	96	1,602	1,698
Digital Government Funded Projects		4	392	396
Director and Deputy Director	4.0	51	772	823
Forms, Records Management, and Printing Services	6.0	35	522	557
Human Resources	14.0	101	1,517	1,618
Legislative Coordination Office	2.0	19	281	300
Mailroom	11.5	63	949	1,012
Management Analysis Unit	2.3	18	273	291
Office Services	6.0	43	640	683
Public Affairs	3.5	26	388	414
Quality Program Staff	1.5	15	225	240

## TRANSPORTATION

	Annual FTEs	General Fund State	Other Funds	Total Funds
State Parking Account (Commute Trip Reduction)	1.0	4	57	61
Supply	4.5	28	428	456
System and Program Review	3.0	34	504	538
Title and Registration	161.4	1,047	41,708	42,755
Dealers and Manufacturers	31.1	47	5,000	5,047
Management and Administrative Support	18.2		3,560	3,560
Prorate and Fuel Tax	85.1		12,129	12,129
Employee-related and Internal Service Cost				
Adjustments		225	2,895	3,120
Staff Reductions and Operating Efficiencies	(42.0)	(130)	(1,882)	(2,012)
<b>Subtotal</b>	<b>(33.4)</b>	<b>(69)</b>	<b>8,053</b>	<b>7,984</b>
<b>Total Proposed Budget</b>	<b>1,224.8</b>	<b>10,300</b>	<b>208,918</b>	<b>219,218</b>
Difference	(40.8)	(596)	11,364	10,768
Percent Change from Current Biennium	(3.2)%	(5.5)%	5.8%	5.2%

### Regulatory, Licensing, Registration, and Certification

This activity consists of 15 professional regulatory, licensing, registration, and certification programs operating in accordance with state law to protect public health, safety, and welfare. All programs, with the exception of Professional Athletics, are expected to be self-supporting by establishing fair and appropriate fees. The Real Estate Research and Education Programs provide continuing research, education, and technical assistance to licensees, colleges, state and local governments, business and industry, and the public. The Decentralized Information Services Special Projects area provides technology assistance that benefits the entire division. (General Fund-State, various other funds)

### Administration and Information Technology Support

This area provides administrative and information technology support and direction to the Business and Professions Division. Staff provides leadership for the use of effective business management principles; offers advice and assistance on matters pertaining to business and professions licensing; monitors and coordinates legislation impacting the Division; coordinates rule making, policies, procedures, budget preparation, tracking and allotments for 10 different fund sources; and coordinates strategic business planning and communications. Other responsibilities include coordinating quality initiatives; conducting research investigations; providing support for constituent contact and services; providing investigative support and services to professional boards, commissions, committees, and program administrators; creating and maintaining the division's Internet website; and receiving, reviewing, reconciling, and issuing corrections to division revenue document notices, revenue refund warrants, and other fees. (General Fund-State, various other funds)

Additional resources of \$229,000 are provided to expand the internet services provided by the Business and Professions Division. Expanding the range of digital services available through the Department of Licensing's Internet site affects both businesses and individuals in professions licensed by the state. The renewal of the following new business and professional licenses will be provided on-line:

Architects	Landscape Architects	Bail Bonds	Security Guards
Funeral Directors	Notaries	Real Estate Brokers	Real Estate Sales
Real Estate Appraisers	Cemeteries	Liquor	Shopkeepers
Collection Agencies	Private Investigators	Sellers of Travel	Employment Agencies
Bulk Fertilizer Dealers	Refrigerated Lockers	Seed Dealers	Pesticide Dealers
Cigarette Retail/Wholesale	Whitewater River Outfitters	Underground Storage Tanks	

Other ancillary decentralized administrative and information technology costs are included in those activities.

### Firearms Program

In accordance with state law, the Firearms Program is the central repository for concealed pistol licenses and pistol transfers. Firearm dealers are required to forward pistol transfer records to the Department within seven days after the sale of a weapon. State law also requires law enforcement agencies to forward copies of issued concealed pistol licenses to the Department; the Department must return the information to law enforcement with all data entry corrections. The program must retain specific records and is prohibited from disclosing information except to law enforcement and corrections agencies. The data base is of critical value to law enforcement agencies at the local, state, and federal levels.

### Master License Service

The Master License Service (MLS) is a licensing program charged with simplifying the business license process. It provides over 100 different business licenses and registrations, providing customers with one-stop business licensing and information. License applicants' information and fees are collected in the Department of Licensing's (DOL) central program, then distributed to the appropriate agencies for further action. Products and services provided through MLS include business license applications and renewals, corporate renewals, trade name registrations, for-hire (taxi) and limousine licensing, and registration of telephone solicitors and white water outfitters. Additional services include distributing license information packets to the public and printing/distributing forms to participating agencies. (Master License Account-State)

Additional funding is provided to cover the cost of partnering with cities, and additional state agencies to perform new business licensing functions within the MLS program. The \$403,000 will fund three additional FTE staff years and cover the anticipated credit card fees associated with on-line payments.

Other ancillary costs for decentralized administrative support and information technology are included in those activities.

### Licensing, Registration and Regulatory Program

This activity involves professional licensing, registration, and regulatory programs. These programs provide consumer protection by establishing minimum experience and education qualifications for licensure; developing and administering valid examinations; administering programs of continuing education; conducting investigations, technical assistance visits, and audits; and maintaining and enforcing standards of practice to promote public welfare. The Private Investigator and Security Guard Programs conduct fingerprint-based background checks, and the Bail Bonds Program is authorized to conduct electronic background checks, ensuring that individuals in positions of trust do not have a criminal background. The Real Estate Programs regulate the activities of real estate brokers, salespersons, and state certified and licensed appraisers consistent with established licensing statutes. The Real Estate Appraisers Program is federally-mandated, and a state dedicated account will be established in July 2003 for the deposit and expenditure of its revenues. (General Fund-State, various other funds)

### Uniform Commercial Code

The Uniform Commercial Code (UCC) is a record-keeping program that serves as the central repository of liens on personal property in Washington State. The program conducts certified searches of its records for the public upon request, and operates in accordance with revised Article 9 of the Uniform Commercial Code that relies on the public record to provide the means for creditors to determine if there is any security interest that precedes theirs. The UCC is a national program adopted by all states that has resulted in national uniformity for interstate and international transactions critical to commerce. As a result of the electronic filing system, UCC can comply with national and state requirements in meeting the two business day turn-around for filings and searches. (Uniform Commercial Code Account-State)



### **Chief Information Officer (CIO) Office**

The Chief Information Officer (CIO) develops the long-term vision and strategy for the Department of Licensing's (DOL) use of information technology (IT) to support the Department's strategic goals. The CIO ensures that DOL's information technology business systems/applications are operational, and oversees the implementation of new technology systems. These systems hold 24.3 million client records in 81 databases containing the state's driver records, vessel and vehicle titling and registrations, selected firearms registrations, Uniform Commercial Code filings, business and professional licenses, and the agency's administrative core systems. The unit is responsible for support services for IT project managers and the business division's project management; agency-wide deployment of imaging technology that scans and digitizes paper documents; and the development of the IT budget and resource plans consistent with agency and program goals, Department of Information Services (DIS) policies, and legislative requirements. (General Fund-State, various other funds)

### **Customer Support Services**

This activity provides support services to Information Technology (IT) project managers and the business division's project management, including the maintenance and enhancement of 114 business systems, and development of new business systems. Other customer support services activities include the Project and Planning Office (PPO) which provides dedicated project managers for IT development projects; agency-wide deployment of imaging technology that scans and digitizes paper documents; and IT Systems Management which oversees the maintenance of agency business applications for Driver Services, Vehicle Services, Business and Professions, and Administrative Services. (General Fund-State, various other funds)

### **Accident Processing**

The Accident Processing Unit edits collision reports from law enforcement and citizens, and sets up cases for uninsured accidents. The Unit takes suspension action against uninsured drivers involved in accidents who cannot meet their financial obligations, and processes reinstatements when the driver complies with financial responsibility requirements. (Highway Safety Account-State)

### **Administrative Support**

Driver Services Administrative Support staff provide management and administrative support to the Driver Services Division. Activities include strategic and program planning, budget preparation and monitoring, coordination of legislation, rules and policies management, management of quality improvement activities, and information services. (Motorcycle Safety Education Account-State, Highway Safety Account-State, Highway Safety Account-Federal)

### **Commercial Driver License (CDL) Program**

The Commercial Driver License (CDL) Program ensures compliance with state and federal laws pertaining to commercial drivers. The unit reviews CDL drive test courses, oversees compliance audits of third-party testers by licensing services representatives, and conducts investigations required for intra-state medical waivers. (Highway Safety Account-State, Highway Safety Account-Federal)

Funding is provided for contracting with the Washington State Patrol for two detectives to address identity fraud/theft issues and to perform background checks on prospective employees and vendors. The Department will also hire one investigator to handle internal fraud investigations. The additional \$567,000 in funding is from the Highway Safety Fund-State.

Other ancillary costs associated with decentralized administration and information technology are included in those activities.

### **Commercial Driving Schools (CDS) Program**

The Commercial Driving School (CDS) Program ensures compliance with state laws pertaining to commercial driving schools. The unit reviews and approves CDS school and instructor applications, and sets curriculum and instructor certification standards for traffic safety education taught in commercial driver training schools. The unit also oversees compliance audits of CDSs performed by Licensing Services representatives and conducts investigations of non-compliant programs. (Highway Safety Account-State)

## TRANSPORTATION

### Customer Service Unit (CSU)

The Customer Service Unit (CSU) answers phone calls into the Driver Services phone pool and staffs the headquarters customer counter to provide the public with driver-related services. At the customer counter, Licensing Services representatives issue duplicate and renewal licenses, as well as original, duplicate, and renewal identification cards and permits. (Highway Safety Account-State)

Additional funding of \$364,000 is provided for three customer service representatives and call center technology to answer telephone calls in the Driver Services Customer Service Unit in order to reduce the number of busy signals experienced by Department of Licensing customers. (Highway Safety Fund-State)

Other ancillary costs associated with decentralized administration and Information Technology are included in those activities.

### Document Processing

This unit receives and sorts all incoming citations and FTA (failure to appear, respond, or comply) notices from the courts. Staff enters FTAs and non-suspendable citations onto driver records; takes suspension action against individuals who have not resolved their citations with the courts; and releases suspensions when citations are resolved. DOL receives electronic transmissions of FTAs and adjudications from the courts, as well as citations from Seattle Municipal Court. This unit processes unsuccessful record updates sent to numerous exception registers from these electronic processes and manually updates the driver database. Record Response performs secure updates and amendments to driver records. (Highway Safety Account-State)

One-time funding of \$178,000 is provided for two temporary FTE staff years to eliminate the backlog of collision reports which have occurred as a result of delayed implementation of the Washington State Patrol Collision Analysis Records System (CLAS) and transition to the Department of Transportation CLAS system under development. (Highway Safety Fund-State)

Other ancillary costs associated with decentralized administration and information technology are included in those activities.

### Driver Examining Administrative Support

The Driver Examining Administration Unit manages the statewide programs for identification requirements, driver licensing and examination, commercial driver training schools, commercial driver licensing, motorcycle safety, organ donor, and motor voter. The Unit develops, manages, and evaluates the Driver Examining Section's biennial budget, and develops and evaluates legislation. Staff initiates and directs strategic initiatives to ensure quality customer service and efficient implementation of the agency's mission of public safety. (General Fund-State, Highway Safety Account-State)

### Driver Responsibility Administration

The Driver Responsibility Administrator's Office is responsible for evaluating and implementing new legislation, managing the division budget, initiating and testing changes to computer applications, developing and conducting internal staff training, and responding to requests for statistical information from the driver license and identification card data base using the Data Mart application. The criminal justice program manager serves as liaison between the Department and criminal justice agencies, providing and sharing knowledge, education, and resource materials. (Highway Safety Account-State)

In a two-phase project, DOL will implement alternative methods of renewing driver licenses and identification cards. Renewal by Internet will be developed and implemented in the 2003-05 Biennium, followed by renewal by mail in the 2005-07 Biennium. Customers will be permitted to renew by an alternative method following each in-person original or in-person renewal issuance. Payment methods for renewals by Internet will include credit or debit cards, and by mail will include cashier's checks, money orders, and personal checks. An additional \$473,000 in funding is provided from the Highway Safety Account-State.

An additional \$1,140,000 is provided to increase the integrity of the Washington State Driver License and Identification Card by performing batch and online verification of social security numbers and addresses. FTE staff years are added to avoid increasing customer wait times due to these additional processes.

### Hearings and Interviews

Staff administers state laws providing drivers the right to appear at an interview and/or hearing to contest any Department proposal to administratively suspend, revoke, or restrict driving privilege. Staff processes requests and fees, schedules interviews and hearings, and provides timely and appropriate notices of impending action. Hearing officers preside over formal administrative hearings, subject to Superior Court review, when a driver contests a proposed driver's license suspension. Staff also conducts fact-finding interviews with drivers prior to administrative suspension action involving driving privilege, and driver awareness/improvement interviews with drivers who accumulate an unsafe driving record. (Highway Safety Account-State)

### Imaging Processing

Imaging Processing scans documents into the imaging system and microfilm documents for retention. The Photo Verification Laboratory receives all non-verifiable licenses and identification cards from Licensing Services Office (LSO), verifies documents with previous photos, and mails verified documents to customers. This unit also receives undeliverable licenses and identification cards from the United States Postal Service and answers public inquiries. Staff provides license support for LSOs by retrieving and checking data in stored documents. (Highway Safety Account-State)

### Licensing Services Offices

This activity includes the Licensing Services Offices (LSOs) throughout the state which promote traffic safety through driver screening, testing, and issuance of basic, motorcycle operator, Commercial Driver's Licenses (CDL), and special-needs driver licenses. These offices test driver knowledge, performance, and visual and physical ability, and impose appropriate operator restrictions. The LSOs determine the identity and eligibility of all applicants, and issue original and renewal identification cards. LSOs also issue employee identification cards for the Department of Licensing and other state agencies; collect and account for driver-related fees; administer the Motor Voter and Organ Donor programs; conduct fraudulent document investigations and identification reviews to ensure compliance with state laws and administrative rules; and give re-examination and special skill driving tests. (Highway Safety Account-State, DOL Services Account-State)

An additional \$564,000 is provided for new hardware, equipment upgrades, and monthly data line charges to provide the Vehicle Services Division with the needed network capacity for selected field offices.

### Mandatory Suspensions

This unit receives and processes driving under the influence (DUI) arrest reports from law enforcement, and takes suspension actions as mandated by statute. The unit issues occupational driver licenses; processes all citations that require a mandatory suspension or revocation of the driving privilege; and takes administrative action to suspend, revoke, or cancel licenses when drivers have accumulated too many citations, committed serious offenses, or failed to comply with a child support order. The unit also disqualifies commercial drivers for positive drug and alcohol tests. (General Fund-State, Highway Safety Account-State)

### Motorcycle Safety Program

The Washington Motorcycle Safety Program (WMSP) works with government and private contractors to provide rider education and training to interested riders. WMSP also conducts quality assurance visits to all training sites and instructors. The program trains new instructors, publishes the Motorcycle Operator Manual used by new riders to study for the knowledge test, and provides training to Licensing Service representatives for the administration of the motorcycle skill test. Staff publishes a Motorcycle Club booklet of all clubs in Washington, conducts awareness programs for the general public, and provides management of the overall program. (Motorcycle Safety Education Account-State)

### Reinstatements

The Reinstatements Unit enters insurance information onto driving records, reviews medical and vision documents to determine licensing eligibility, and processes reinstatements of the driving privilege. The Out-of-State Desk provides telephone support for LSOs and motor vehicle agencies in other states on personal and commercial driving records and license issuance. The Alcohol Section updates driving records with alcohol evaluation, treatment, and compliance reports, and suspends driving privileges for not complying with required alcohol reporting. (Highway Safety Account-State)

## TRANSPORTATION

### Technical Reporting

Technical Reporting provides a variety of services, including record corrections; subpoena responses; certified copies of drive record (CCDRs); disclosure of driving record information; suspension and release of drivers who have paid fees with dishonored checks; and extension, replacement, and renewal licenses by mail for drivers who are out of state. This unit also processes driver license extension stickers being issued to transition from four-year to five-year license expiration. (Highway Safety Account-State)

### Information Technology Services (ITS)

This activity plans, implements, maintains, and manages the agency-wide technology infrastructure that supports and connects Department of Licensing (DOL) offices and sites statewide, including desktop computers, local area networks (LAN), wide area network (WAN), e-mail, the agency imaging system infrastructure, the agency Intranet, and all server applications (SQL), including E-commerce. DOL implemented two new digital government projects allowing applicants to renew business licenses and vehicle owners to renew license tabs over the Internet, with a credit card. Information Technology Services (ITS) installed new server technology to accomplish this, and provides operational support to six production Internet Payment Option service lines. ITS also manages the centralized purchase of IT acquisitions, provides hardware and software disaster recovery, business application security access, data base administration, and an agency-wide help desk for staff and customers. (General Fund-State, various other funds)

Additional funding of \$5,231,000 is provided for Information Technology expansion and support associated with a variety of projects. These projects include:

- Information Technology Infrastructure Improvements
- Unisys Re-Platforming
- Call Center improvements
- One-Stop Business Licensing
- Special Investigations Unit
- Collision Records
- Driver License Integrity
- National Title Information System

The Unisys Re-Platforming project represents Phase I of a comprehensive program to migrate core agency systems from existing main-frame "legacy" systems to a modern server-based environment.

### Accounting

There are four distinct areas within the accounting activity. General Accounting is responsible for the redistribution of supply costs, indirect costs, federal projects, Agency Financial Reporting System (AFRS) payments, general accounting, and general ledger maintenance. Revenue Accounting processes and accounts for all revenue collection for the Department of Licensing (DOL). Revenue collected by the Revenue Collection Unit is distributed to other state agencies and local governments. This unit processes over 54,800 checks per month. Accounts Payable makes payments to non-state-agency vendors, as well as all payments for travel for DOL employees. Payroll Accounting handles all accounting related to employee paychecks, payroll deductions, and employee leave. (General Fund-State, various other funds)

### Assistant Director, Administrative Services

The Assistant Director's Office for Administrative Services is responsible for providing leadership, direction, administrative, and operational support for the cost centers within the Administrative Services Division. Services include analysis and data collection for decision-making, support for program development, coordination of quality initiatives, and broad-based support for general constituent contact and services. The Agency Safety Officer and Risk Management Program is housed within this cost center. (General Fund-State, various other funds)

### **Budget and Program Support**

This unit is responsible for budget development and monitoring, allotment preparation, and fiscal note preparation. During the legislative session, the budget staff reviews program data and writes fiscal notes on proposed legislation. In addition, budget staff oversees the maintenance of the agency's indirect cost distribution model and provides fund balance analysis and revenue projections. (General Fund-State, various other funds)

### **Decentralized Administration Services**

This cost center covers expenses such as charges from other agencies (Attorney General Services, Audit Services, Archives), self-insurance, and rent. (General Fund-State, various other funds)

Funds are increased \$809,000 for the administrative costs associated with a variety of enhancements in other program areas. These projects include:

- Information Technology Infrastructure
- Unisys Replatforming
- Call Center improvements
- One-Stop Business Licensing
- Special Investigations Unit
- Collision Processing
- Alternative Renewals
- Driver License Integrity
- National Title Information System

### **Decentralized Information Services**

Decentralized Information Services provides computer programming for various automated systems within the Administrative Services Division. This unit also programs computers to perform new functions as required by the Legislature. In addition, Decentralized Information Services develops new computer systems, as requested, to improve services such as handling revenues from online credit card transactions. (General Fund-State, various other funds)

### **Digital Government Funded Projects**

In the 2001-03 Biennium, the Office of Financial Management (OFM) allocated funding to the Department of Licensing (DOL) from the Digital Government Pool and the Technology Pool for nine digital government and e-commerce projects. A portion of the funding is combined with direct appropriations for the Management and Support Services Division to cover direct and indirect costs associated with these projects. Some of this funding provides ongoing operational expenses, including the cost of credit card fees, for the Master License Service projects related to business license renewals and renewal of vehicle licenses over the Internet. Remaining funds are for seven other new projects. (General Fund-State, Professional Engineers' Account-State, Master License Account-State, Highway Safety Account-State, Motor Vehicle Account-State, Geologists' Account-Nonappropriated, Data Processing Revolving Account-State)

### **Director and Deputy Director**

This unit includes the Director, Deputy Director, and support staff. The Director and Deputy Director determine and execute Department policy and priorities. The office responds to inquiries from the Governor, legislators, citizens, and other state agencies. (General Fund-State, various other funds)

### **Forms, Records Management, and Printing Services**

This area provides forms, records management, and printing services. The unit establishes standards for approximately 1,400 agency forms, provides consultation and design services to improve agency communications, monitors form master files, operates an in-house printing service, and oversees and coordinates all printing done by the State Printer for the agency. (General Fund-State, various other funds)

## **TRANSPORTATION**

### **Human Resources**

This unit includes personnel operations, diversity, affirmative action, and employee development and training. Personnel Operations and Employee Development staff often team up to provide services in conflict resolution, intervention, and organizational development. Much of the personnel-related work conducted can be termed preventive maintenance to mitigate potential agency liability by providing sound advice to managers and employees. (General Fund-State, various other funds)

### **Legislative Coordination Office**

This unit is responsible for providing a key communications link between the Department and legislators. Staff informs and advises the agency director and executive staff of all legislative proposals affecting the Department. The unit also oversees the development of departmental request legislation and legislative coordination with the Governor's Office. (General Fund-State, various other funds)

### **Mailroom**

The Mail Center sorts various types of mail, including mail received through the United States Postal Service, Consolidated Mail Service, Western Parcel, and United Parcel Service. It is the liaison to Consolidated Mail Service (operated by the Department of General Administration) and the United States Postal Service. (General Fund-State, various other funds)

### **Management Analysis Unit**

The Management Analysis Unit monitors compliance with the Administrative Procedures Act in all rule making. The Department of Licensing (DOL) has 99 policies related to various areas of agency operations. The Management Analysis Unit evaluates legislation, attends hearings, and implements new laws. In addition, the unit provides comprehensive legal and technical support for contract administrative services to all divisions of DOL. (General Fund-State, various other funds)

### **Office Services**

Office Services provides and maintains full, statewide voice communications for the agency's employees. The unit coordinates the ten-year capital plan and oversees the statewide office and warehouse leases for properties occupied by DOL employees. Office Services staff assists DOL employees as they move into or reconfigure existing office space. (General Fund-State, various other funds)

### **Public Affairs**

Public Affairs is the central point of contact with the news media. Staff produces agency-wide messages, including press releases; works with other divisions to educate customers on licensing requirements, legislation, communication plans, and upcoming issues; and provides media training to staff, as well as management support, on high profile media issues. This unit manages the content of the agency's Internet and Intranet sites and information. (General Fund-State, various other funds)

### **Quality Program Staff**

Department of Licensing (DOL) Quality Program staff oversees the implementation of improvement efforts to increase the quality, efficiency, and effectiveness of DOL services. (General Fund-State, various other funds)

### **State Parking Account (Commute Trip Reduction)**

This cost center provides funding to support the agency's commute trip reduction goals imposed as a result of Washington's Clean Air Act. Incentives are offered to employees who choose a method of transportation to work other than a single-occupant vehicle. (General Fund-State, various other funds)

### **Supply**

This group provides centralized procurement, warehousing, and inventory control. Staff delivers supplies, equipment, and preprinted forms to agency personnel. In addition, they administer office supply contracts, janitorial services, and various office equipment maintenance services. (General Fund-State, various other funds)

### **System and Program Review**

The Office of System and Program Review (OSPR) provides value-added management audit/review services. Services include evaluations and audits of the adequacy and effectiveness of the overall system of management control; risk, exposure, and management control effectiveness of systems and processes; and adequacy and effectiveness of management controls for agency projects and programs. OSPR is also charged with ensuring the agency meets mandated statutory audit and review requirements outlined in the State Administrative and Accounting Manual, Policy 20, Internal Control Requirements. (General Fund-State, various other funds)

### **Title and Registration**

Title and Registration Services serves the public by issuing negotiable and secure Certificates of Ownership for each vehicle and vessel required to be titled. The Certificate of Ownership indicates legal ownership to prospective buyers and lending institutions. Vehicle and vessel licensing services are provided at three Department of Licensing offices, County Auditor offices, and contracted sub-agent offices throughout the state. Title and Registration Services activities include vehicle/vessel titling and registration; personalized vehicle plates; specialized vehicle plates; plate replacements; emission test notifications; legislative responsibilities; and the collection of Regional Transportation Authority (RTA) excise tax, use tax, inspection fees, and local government fees. (General Fund-State, State Wildlife Account-State, Motor Vehicle Account-State, Motor Vehicle Account-Federal, DOL Services Account-State, Derelict Vessel Removal Account-Nonappropriated)

A funding increase of \$376,000 is provided for information technology infrastructure improvements. Hardware purchases, equipment upgrades, and monthly costs for larger capacity data lines are provided so that the Vehicle Services Division will have increased network capacity to selected field offices.

An additional \$544,000 is provided to allow the Department to participate in the National Motor Vehicle Title Information System (NMVTIS). NMVTIS will enable the Department to verify the validity of vehicle information during the title application process. Additional staff and contract programmers will develop, test, and maintain computer software and hardware that is needed for the interface required to provide and access data from the national database.

Other ancillary costs associated with decentralized administration and information technology are shown in those activities.

### **Dealers and Manufacturers**

Dealer and Manufacturer Services administers and enforces laws which license and regulate vehicle manufacturers, dealers, wreckers, tow truck operators, hulk haulers, scrap processors, motor vehicle transporters, snowmobile dealers, off-road vehicle dealers, mobile home dealers, travel trailer dealers, vessel dealers, and other miscellaneous dealers operating or doing business in Washington. Staff conducts investigations, inspections, certifications, and technical assistance visits to ensure compliance with the laws governing these businesses. The unit also administers and enforces laws relating to odometer tampering, auto theft deterrents, dealer advertising violations, manufactured/mobile housing regulations, unlicensed vehicle dealer activities, and motor vehicle dealer/manufacturer franchise dispute resolutions. (General Fund-State, Motor Vehicle Account-State)

This activity is reduced by \$1,100,000, to align expenditures for the dealer regulatory activity to the projected revenues collected for that function.

### **Management and Administrative Support**

Management and Administrative Support Services provide administrative support to Vehicle Services operations. Staff provides services and support to division management, field staff, other agency staff, and external entities. Support services include planning, budget preparation and monitoring, coordination of legislation, rules and policies management, vehicle data, and policy analysis. (Motor Vehicle Account-State)

## TRANSPORTATION

### **Prorate and Fuel Tax**

Prorate and Fuel Tax Services is responsible for administering the state's motor vehicle fuel, special fuel, and aircraft fuel tax collection programs. These programs require the licensing of fuel suppliers, exporters, importers, blenders, and distributors; the processing of fuel tax returns and associated payments; and the operation of an audit and compliance section responsible for taxpayer education, training, and auditing. This unit administers the International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA) which provide for one-stop vehicle licensing and fuel tax filing services for Washington-based interstate motor carriers. The unit also issues 17 different types of fuel licenses, processes and issues prorate and fuel tax refunds, and conducts annual field audits to ensure uniform application and compliance with prorate and fuel tax statutes. The Compliance Unit recovers unpaid taxes, and the Fuel Tax Evasion Unit conducts investigations of suspected fraudulent fuel transactions to ensure fuel taxes are legitimately paid to the state. (Marine Fuel Tax Refund Account-State, Motor Vehicle Account-State)

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)



Agency 405

## Department of Transportation

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	6,884.9		3,512,964	3,512,964
<b>Total Maintenance Level</b>	5,793.4		1,760,445	1,760,445
Difference	(1,091.5)		(1,752,519)	(1,752,519)
Percent Change from Current Biennium	(15.9)%		(49.9)%	(49.9)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(5,793.5)		(1,760,445)	(1,760,445)
General Inflation			6,960	6,960
Aviation (F)	10.5		3,493	3,493
Charges From Other Agencies (Payments to Other Agencies) (U)			44,384	44,384
Facilities Maintenance, Operations and Construction (D)	99.0		46,025	46,025
Highway Construction-Economic Initiatives (I3)	105.0		71,032	71,032
Highway Construction-Environmental Retrofit (I4)	46.0		14,632	14,632
Highway Construction-Mobility Improvements (I1)	454.5		222,311	222,311
Highway Construction-Other Facilities (P3)	181.0		69,364	69,364
Highway Construction-Roadway Preservation (P1)	479.5		268,052	268,052
Highway Construction-Safety Improvements (I2)	253.0		96,413	96,413
Highway Construction-Structure Preservation-P2	422.5		321,730	321,730
Highway Maintenance Management (M2)	1,235.1		264,426	264,426
Highway Maintenance Management Support and Inventory and Stores Administration	180.4		23,110	23,110
Local Programs (Z)	44.0		11,232	11,232
Office of Information Technology (C)	225.1		61,488	61,488
Operations TEF (E)	204.8		96,784	96,784
Program Delivery Management and Support (H)	205.6		31,588	31,588
Public Transportation (V)	15.8		7,367	7,367
Rail (Y)	15.9		41,662	41,662
Traffic Operations (Q)	241.9		38,869	38,869
Transportation Management and Support (S)	161.8		26,887	26,887
Transportation Planning/Data/Support T	181.8		33,103	33,103
Washington State Ferries Capital Construction (W)	120.0		161,000	161,000
Washington State Ferries Maintenance and Operations (X)	1,649.3		322,175	322,175
Employee-related and Internal Service Cost Adjustments			10,797	10,797
Staff Reductions and Operating Efficiencies	(80.2)		(2,758)	(2,758)
Self-Insurance Premiums			17,626	17,626
<b>Subtotal</b>	658.9		549,307	549,307
<b>Total Proposed Budget</b>	6,452.3		2,309,752	2,309,752
Difference	(432.7)		(1,203,212)	(1,203,212)
Percent Change from Current Biennium	(6.3)%		(34.3)%	(34.3)%

## TRANSPORTATION

Program C00

### DOT - Information Technology

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	239.5		68,290	68,290
<b>Total Maintenance Level</b>	236.7		59,865	59,865
Difference	(2.8)		(8,425)	(8,425)
Percent Change from Current Biennium	(1.2)%		(12.3)%	(12.3)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(236.7)		(59,865)	(59,865)
Office of Information Technology (C)	225.1		61,488	61,488
Employee-related and Internal Service Cost Adjustments			573	573
Staff Reductions and Operating Efficiencies	(5.0)		(174)	(174)
<b>Subtotal</b>	(16.6)		2,022	2,022
<b>Total Proposed Budget</b>	220.2		61,887	61,887
Difference	(19.4)		(6,403)	(6,403)
Percent Change from Current Biennium	(8.1)%		(9.4)%	(9.4)%

#### Office of Information Technology (C)

The Office of Information Technology is responsible for the development and maintenance of information systems supporting the operations of the Department. Activities include technical support, acquisition and operation of central data processing equipment, as well as acquisition of microcomputer hardware, software, and related support equipment. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Puget Sound Ferry Operations Account-State, Multimodal Transportation Account-State)

An additional \$715,000 is provided for a feasibility study of combining the Department's accounting system with the Agency Financial Reporting System (AFRS). The result will be a recommendation of how the Department's financial management requirements could be met through a common system. The study, coordinated with the Office of Financial Management, will provide various alternatives, along with their costs, benefits, risks, timelines, etc.

\$600,000 is added to the program budget to replace outdated servers and network components. This will allow the department to provide more reliable network and server infrastructure to support agency communications, project delivery and financial system.

In recent years, the Washington State Ferry System has become more reliant on computer technology in all aspects of ferry operations. Information technology support activities have not kept pace with the increasing functionality of existing systems and new systems. An additional \$559,000 is added to support the Automated Operating Support System, Point of Sale System, new telephone systems, networks, and workstation support to adequately maintain the information technology.

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

## TRANSPORTATION

Program D00

### DOT - Facility Maintenance, Operations and Construction - Operating

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	94.0		30,294	30,294
<b>Total Maintenance Level</b>	94.0		30,478	30,478
Difference			184	184
Percent Change from Current Biennium	0.0%		0.6%	0.6%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(94.0)		(30,478)	(30,478)
Facilities Maintenance, Operations and Construction (D)	90.0		30,404	30,404
Employee-related and Internal Service Cost Adjustments			218	218
Staff Reductions and Operating Efficiencies	(1.6)		(50)	(50)
<b>Subtotal</b>	(5.6)		94	94
<b>Total Proposed Budget</b>	88.4		30,572	30,572
Difference	(5.6)		278	278
Percent Change from Current Biennium	(6.0)%		0.9%	0.9%

#### Facilities Maintenance, Operations and Construction (D)

The program provides support for the operation and maintenance of the Department's 650 buildings and facilities statewide. The activities include corrective and preventive maintenance for existing facilities. (Motor Vehicle Account-State)

#### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program DOC

**DOT - Facility Maintenance, Operations, and Construction-Capital****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	14.0		13,046	13,046
<b>Total Maintenance Level</b>	16.0		15,621	15,621
Difference	2.0		2,575	2,575
Percent Change from Current Biennium	14.3%		19.7%	19.7%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(16.0)		(15,621)	(15,621)
Facilities Maintenance, Operations and Construction (D)	9.0		15,621	15,621
<b>Subtotal</b>	(7.0)			
<b>Total Proposed Budget</b>	9.0		15,621	15,621
Difference	(5.0)		2,575	2,575
Percent Change from Current Biennium	(35.7)%		19.7%	19.7%

**Facilities Maintenance, Operations and Construction (D)**

This program provides funding for capital improvements to the Department's 650 buildings and facilities statewide. These enhancements improve productivity and lower costs by consolidating activities and workforce, and co-locating with other agencies. The activities include upgrades and all aspects of new construction. (Motor Vehicle Account-State)

Funding is limited to the following items:

- \$4,572,000 for the Euclid Avenue Light Industrial Facility;
- \$5,730,000 to pay the Certificate of Participation for the Southwest Regional Office;
- \$316,000 for sand sheds;
- \$400,000 for radio system projects;
- \$615,000 for minor projects;
- \$2,400,000 for the purchase of land for the Spokane Street Section Maintenance Facility;
- \$986,000 for the Pomeroy Section Maintenance Facility; and
- \$602,000 for statewide administration and support.

## TRANSPORTATION

Program E00

### DOT - Transportation Equipment Fund

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	217.8		103,612	103,612
<b>Total Maintenance Level</b>	217.8		96,784	96,784
Difference			(6,828)	(6,828)
Percent Change from Current Biennium	0.0%		(6.6)%	(6.6)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(217.8)		(96,784)	(96,784)
Operations Transportation Equipment Fund (E)	204.8		96,784	96,784
<b>Subtotal</b>	(13.0)			
<b>Total Proposed Budget</b>	204.8		96,784	96,784
Difference	(13.0)		(6,828)	(6,828)
Percent Change from Current Biennium	(6.0)%		(6.6)%	(6.6)%

#### Operations Transportation Equipment Fund (E)

The Operations Transportation Equipment Fund (OTEF) provides for most of the agency's equipment needs. The program includes acquisition, inventory management, and logistical support for the Department's vehicles, support equipment, and wireless communications system. Its mission is to provide reliable radio communications; well-maintained, fueled vehicles; and equipment at the lowest possible cost. (Transportation Equipment Fund-Nonappropriated)

Program F00

**DOT - Aviation****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	11.0		5,542	5,542
<b>Total Maintenance Level</b>	11.0		3,504	3,504
Difference			(2,038)	(2,038)
Percent Change from Current Biennium	0.0%		(36.8)%	(36.8)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(11.0)		(3,504)	(3,504)
Aviation (F)	10.5		3,493	3,493
Employee-related and Internal Service Cost Adjustments			25	25
Staff Reductions and Operating Efficiencies	(.1)		(8)	(8)
<b>Subtotal</b>	(.5)		6	6
<b>Total Proposed Budget</b>	10.4		3,510	3,510
Difference	(.5)		(2,032)	(2,032)
Percent Change from Current Biennium	(5.0)%		(36.7)%	(36.7)%

**Aviation (F)**

The Aviation Program supports a number of aviation services, including conducting search and rescue education and operations; providing technical and financial aid to local public use airports; registering pilots and aircraft; managing the 15 state-owned or operated airports; and assisting local governments, the aviation community, and the general public to comply with federal and state aviation regulations. (Aeronautics Account-State, Search and Rescue Account-State)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

## TRANSPORTATION

Program H00

### DOT - Program Delivery Management and Support

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	210.4		33,500	33,500
<b>Total Maintenance Level</b>	210.4		33,510	33,510
Difference			10	10
Percent Change from Current Biennium	0.0%		0.0%	0.0%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(210.4)		(33,510)	(33,510)
Program Delivery Management and Support (H)	205.6		31,588	31,588
Employee-related and Internal Service Cost Adjustments			507	507
Staff Reductions and Operating Efficiencies	(4.8)		(156)	(156)
<b>Subtotal</b>	(9.6)		(1,571)	(1,571)
<b>Total Proposed Budget</b>	200.9		31,939	31,939
Difference	(9.6)		(1,561)	(1,561)
Percent Change from Current Biennium	(4.5)%		(4.7)%	(4.7)%

#### Program Delivery Management and Support (H)

This program includes the functions and activities associated with management and support of program delivery at the headquarters building and in the six regional offices. (Motor Vehicle Account-State, Motor Vehicle Account-Federal)

The program can achieve savings of \$1.7 million by reducing expenses for travel, equipment purchases, and contracted services. With a reduction in the number and size of highway construction projects being designed and constructed and rights-of-way being purchased, the same level of support is not needed for the headquarters office and six regional offices.

#### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)



Program I1C

**DOT - Improvements - Mobility****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	705.1		468,907	468,907
<b>Total Maintenance Level</b>	318.0		183,414	183,414
Difference	(387.1)		(285,493)	(285,493)
Percent Change from Current Biennium	(54.9)%		(60.9)%	(60.9)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(318.0)		(183,414)	(183,414)
Highway Construction-Mobility Improvements (I1)	454.5		222,311	222,311
<b>Subtotal</b>	136.5		38,897	38,897
<b>Total Proposed Budget</b>	454.5		222,311	222,311
Difference	(250.6)		(246,596)	(246,596)
Percent Change from Current Biennium	(35.5)%		(52.6)%	(52.6)%

**Highway Construction-Mobility Improvements (I1)**

This subprogram provides funds for projects that increase highway capacity, with the long-term goal of reducing congestion and increasing mobility. Examples include completing the High Occupancy Vehicle (HOV) lane system in the Puget Sound region, improving the level of service on rural highways, and mitigating congestion on urban highways in cooperation with local and regional jurisdictions. Intelligent Transportation System projects provide for improved commercial vehicle operations, traveler information, and safety and congestion relief by applying advanced technology. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local, Motor Vehicle Account-Bonded)

Projects already underway, that will be constructed during the 2003-05 Biennium include US 12 - East of Pasco; SR 124 to Wallula Additional Lanes Stage 1; SR 240 - Richland, Tri Cities Additional Lanes; SR 510 - Lacey, I-5 to Pacific Avenue Widening; SR 522 - Woodinville, Echo Lake/Fales Road New Interchange; SR 525 - Mukilteo, SR 99 to SR 526 Widening; and SR 900 - Issaquah, SE 78th Street to I-90 Widening.

\$31,971,000 of new highway construction projects that increase capacity and efficiency will be started in the 2003-05 Biennium in the Mobility Program.

The Department's 2001-03 enacted biennial budget includes \$24,072,000 worth of right-of-way purchases for construction projects that were to be funded with proceeds from Referendum 51. The purchase of the land is deferred until funding is available to construct these projects.

\$4,340,000 is included in the agency budget for weigh-in-motion projects at Kelso, Spokane, Cle Elum, Plymouth, and Everett to improve the flow of traffic at these locations.

## TRANSPORTATION

Program I2C

### DOT - Improvements - Safety

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	283.4		146,326	146,326
<b>Total Maintenance Level</b>	95.0		36,731	36,731
Difference	(188.4)		(109,595)	(109,595)
Percent Change from Current Biennium	(66.5)%		(74.9)%	(74.9)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(95.0)		(36,731)	(36,731)
Highway Construction-Safety Improvements (I2)	253.0		96,413	96,413
<b>Subtotal</b>	158.0		59,682	59,682
<b>Total Proposed Budget</b>	253.0		96,413	96,413
Difference	(30.4)		(49,913)	(49,913)
Percent Change from Current Biennium	(10.7)%		(34.1)%	(34.1)%

#### Highway Construction-Safety Improvements (I2)

This subprogram provides funding for projects that correct deficiencies in high-accident areas and make improvements at potentially hazardous locations. Such projects improve known accident locations and increase safety at intersections at railroad crossings on multi-lane highways. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local, Motor Vehicle Account-Bonded, Multimodal Transportation Account-State)

\$63,413,000 of new highway construction projects that decrease accidents or the risk of accidents in identified locations or corridors will be started in the 2003-05 Biennium. There are over \$44 million worth of projects that are designed to prevent collisions and over \$51 million designed to reduce collisions. Forty-eight highway safety projects will be completed that improve traffic safety. These projects will address 2.5 percent of the identified high-accident corridors and locations statewide.

Program I3C

**DOT - Improvements - Economic Initiatives****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	199.5		125,367	125,367
<b>Total Maintenance Level</b>	101.0		55,051	55,051
Difference	(98.5)		(70,316)	(70,316)
Percent Change from Current Biennium	(49.4)%		(56.1)%	(56.1)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(101.0)		(55,051)	(55,051)
Highway Construction-Economic Initiatives (I3)	105.0		71,032	71,032
<b>Subtotal</b>	4.0		15,981	15,981
<b>Total Proposed Budget</b>	105.0		71,032	71,032
Difference	(94.5)		(54,335)	(54,335)
Percent Change from Current Biennium	(47.4)%		(43.3)%	(43.3)%

**Highway Construction-Economic Initiatives (I3)**

This subprogram focuses on improving the efficiency of moving freight and goods. Activities include improving freight routes by adding lanes, strengthening highways where travel is restricted due to freeze-thaw closures, and improving bridges and overpasses that have height or weight restrictions. It also provides rest areas. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local, Special Category C Account-State, Special Category C Account-Bonded)

\$13,032,000 of new highway construction projects will be started in the 2003-05 Biennium in the Economic Initiatives subprogram.

Over \$47 million is planned to be expended during the 2003-05 biennium on State Route 18 from Maple Valley to Hobart Road to continue to expand the two-lane highway into a four-lane highway.

## TRANSPORTATION

Program I4C

### DOT - Improvements - Environmental Retrofit

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	64.0		26,298	26,298
<b>Total Maintenance Level</b>	16.0		6,274	6,274
Difference	(48.0)		(20,024)	(20,024)
Percent Change from Current Biennium	(75.0)%		(76.1)%	(76.1)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(16.0)		(6,274)	(6,274)
Highway Construction-Environmental Retrofit (I4)	46.0		14,632	14,632
<b>Subtotal</b>	30.0		8,358	8,358
<b>Total Proposed Budget</b>	46.0		14,632	14,632
Difference	(18.0)		(11,666)	(11,666)
Percent Change from Current Biennium	(28.1)%		(44.4)%	(44.4)%

#### Highway Construction-Environmental Retrofit (I4)

This subprogram provides funding to correct or reduce the impact of transportation facilities on the environment. Examples include fixing culverts under state highways to allow fish to pass; rebuilding structures that discharge storm water; and reducing public exposure to noise by constructing noise abatement walls along highways. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local)

\$10,576,000 of new highway construction projects that make environmental improvements to the state highway system will be started in the 2003-05 Biennium in the Environmental Initiatives subprogram.

*Program 17C***DOT - SR 16 Tacoma Narrows Bridge Project****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>			846,255	846,255
<b>Total Maintenance Level</b>				
Difference			(846,255)	(846,255)
Percent Change from Current Biennium			(100.0)%	(100.0)%
<b>Total Proposed Budget</b>				
Difference			(846,255)	(846,255)
Percent Change from Current Biennium			(100.0)%	(100.0)%

## TRANSPORTATION

Program M00

### DOT - Highway Maintenance and Operations

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,490.5		283,999	283,999
<b>Total Maintenance Level</b>	1,490.5		286,256	286,256
Difference			2,257	2,257
Percent Change from Current Biennium	0.0%		0.8%	0.8%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,490.5)		(286,256)	(286,256)
General Inflation			4,749	4,749
Highway Maintenance Management (M2)	1,235.1		264,426	264,426
Highway Maintenance Management Support and Inventory and Stores Administration	180.4		23,110	23,110
Employee-related and Internal Service Cost Adjustments			3,415	3,415
Staff Reductions and Operating Efficiencies	(21.3)		(732)	(732)
<b>Subtotal</b>	(96.3)		8,712	8,712
<b>Total Proposed Budget</b>	1,394.3		294,968	294,968
Difference	(96.3)		10,969	10,969
Percent Change from Current Biennium	(6.5)%		3.9%	3.9%

#### General Inflation

Funding is provided for inflation to maintain the current level of service for the Highway Maintenance Program.

#### Highway Maintenance Management (M2)

The Highway Maintenance Program works to ensure safe and reliable highways for the movement of people and goods. It maintains over 17,995 lane miles of state highways, 10 major mountain passes, 45 rest areas, 3,291 bridges, and 850 state-owned and operated traffic signal systems. This subprogram accounts for 90 percent of the entire maintenance program funding. It is divided into nine work groups: Roadway Maintenance and Operations; Drainage Maintenance and Slope Repair; Roadside and Landscape Maintenance; Bridge and Tunnel Maintenance and Operations; Snow and Ice Control Operations; Traffic Control Maintenance and Operations; Rest Area Operations; Safety Training and Drug Testing; and Third Party Damages and Disaster Operations. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local)

An additional \$5,725,000 is provided to the Highway Maintenance Program to maintain new structures (lanes, bridges, slopes, guardrails, landscaping, etc.) that have been added to the state highway system during the 2001-2003 Biennium.

There is also \$1,285,000 provided for roads that are costing more per mile than the average lane mile statewide.

### **Highway Maintenance Management Support and Inventory and Stores Administration**

The Highway Maintenance Management and Support subprogram funds the necessary management and administrative staff that support the highway maintenance program and cannot be directly distributed to specific maintenance activities. This includes maintenance engineers, administrators, superintendents, radio technicians, and clerical staff. The Inventory and Stores Administration subprogram provides for the acquisition and administration of the stockpile and stores activity (such as signs, traffic signal parts, illumination parts, and engineering supplies). (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local)

An additional \$70,000 is included to rent vehicles and materials handling equipment to improve inventory turnover, reduce obsolete materials, and increase the safety of workers.

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

## TRANSPORTATION

Program P1C

### DOT - Preservation - Roadway

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	401.8		276,165	276,165
<b>Total Maintenance Level</b>	175.0		93,644	93,644
Difference	(226.8)		(182,521)	(182,521)
Percent Change from Current Biennium	(56.4)%		(66.1)%	(66.1)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(175.0)		(93,644)	(93,644)
Highway Construction-Roadway Preservation (P1)	479.5		268,052	268,052
<b>Subtotal</b>	304.5		174,408	174,408
<b>Total Proposed Budget</b>	479.5		268,052	268,052
Difference	77.7		(8,113)	(8,113)
Percent Change from Current Biennium	19.3%		(2.9)%	(2.9)%

#### Highway Construction-Roadway Preservation (P1)

This program provides funds to repair, repave, and restripe state-owned highways, and to restore existing safety features. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local)

\$170,052,000 of new highway preservation projects will be started in the 2003-05 Biennium to preserve state highway system pavements and restore existing safety features.

Thirteen million dollars is added to the Paving Preservation Program to reduce the number of lane miles that are overdue for paving. With this additional funding, the Department will be resurfacing a total of 3,458 lane miles of the state highway system.



Program P2C

**DOT - Preservation - Structures****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	264.2		162,393	162,393
<b>Total Maintenance Level</b>	352.0		247,872	247,872
Difference	87.9		85,479	85,479
Percent Change from Current Biennium	33.3%		52.6%	52.6%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(352.0)		(247,872)	(247,872)
Highway Construction-Structure Preservation (P2)	422.5		321,730	321,730
<b>Subtotal</b>	70.5		73,858	73,858
<b>Total Proposed Budget</b>	422.5		321,730	321,730
Difference	158.4		159,337	159,337
Percent Change from Current Biennium	59.9%		98.1%	98.1%

**Highway Construction-Structure Preservation (P2)**

This program provides funds to preserve, replace, and rehabilitate bridges and other highway structures. Work includes painting, bridge deck repairs, and seismic protection. The focus is to preserve the operational and structural integrity of bridges and structures and reduce the risk of catastrophic bridge failures from natural causes. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local, Motor Vehicle Account-Bonded)

\$32,730,000 of new projects will be started in the 2003-05 Biennium to preserve the structural and operating integrity of the state highway bridges, including replacement of existing deficient bridges, and modifications to reduce the risk of naturally-caused catastrophic bridge failure.

Five million dollars is added to the Structures Preservation Program to reduce the number of bridges that are overdue for replacement or refurbishment.

The major investment in the Structure Preservation Program for the 2003-05 Biennium is replacing the eastern rise of the Hood Canal Floating Bridge. This project was started in the 2001-03 Biennium and is planned to be completed during the 2007-09 Biennium.

## TRANSPORTATION

Program P3C

### DOT - Preservation - Other Facilities

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	228.1		119,306	119,306
<b>Total Maintenance Level</b>	108.0		40,231	40,231
Difference	(120.1)		(79,075)	(79,075)
Percent Change from Current Biennium	(52.6)%		(66.3)%	(66.3)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(108.0)		(40,231)	(40,231)
Highway Construction-Other Facilities (P3)	181.0		69,364	69,364
<b>Subtotal</b>	73.0		29,133	29,133
<b>Total Proposed Budget</b>	181.0		69,364	69,364
Difference	(47.1)		(49,942)	(49,942)
Percent Change from Current Biennium	(20.6)%		(41.9)%	(41.9)%

#### Highway Construction-Other Facilities (P3)

This program provides funds to preserve other facilities and highway features for which the Department is responsible, such as rest areas and weigh stations. Projects include stabilizing slopes and refurbishing existing rest areas and weigh stations to extend their service life. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Local)

\$16,777,000 worth of new projects will be started in the 2003-05 Biennium to preserve state facilities other than roadways and bridges, such as rest areas, weigh stations, unstable slopes, major drainage, and electrical systems.

An additional \$207,000 is added to the program budget due to increases in legal services fees charged by the Office of the Attorney General.

\$388,000 is provided for the culvert court case which is anticipated to go to trial in December 2003. The court will review whether the state is "affirmatively diminishing the number of fish available for harvest" by "build[ing] and manag[ing] its roadway culverts in a fashion that impermissibly blocks the passage of fish destined for the Tribes' usual and accustomed fishing ground." Agencies involved in the case include the Departments of Transportation, Natural Resources, Fish and Wildlife, Ecology and the Washington State Parks and Recreation Commission. (Motor Vehicle Account-State)

Program Q00

**DOT - Traffic Operations****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	199.9		32,569	32,569
<b>Total Maintenance Level</b>	195.9		32,012	32,012
Difference	(4.0)		(557)	(557)
Percent Change from Current Biennium	(2.0)%		(1.7)%	(1.7)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(195.9)		(32,012)	(32,012)
Traffic Operations (Q)	241.9		38,869	38,869
Employee-related and Internal Service Cost Adjustments			482	482
Staff Reductions and Operating Efficiencies	(3.5)		(134)	(134)
<b>Subtotal</b>	42.5		7,205	7,205
<b>Total Proposed Budget</b>	238.4		39,217	39,217
Difference	38.5		6,648	6,648
Percent Change from Current Biennium	19.3%		20.4%	20.4%

**Traffic Operations (Q)**

This program is responsible for maximizing the use of the existing highway transportation system, utilizing regulatory measures and traffic control devices as primary tools to best use existing capacity and improve safety. Its three subprograms are Traffic Operations Management and Support; Traffic Operations (freeway operations, response to constituent inquiries, traffic signal operations, traffic regulations, and incident response); and Low-Cost Enhancements (solution development, traffic signal upgrades, signs and delineation, and freeway system and traveler information). (Motor Vehicle Account-State, Motor Vehicle Account-Local, Multimodal Transportation Account-State)

\$4,960,000 of the multimodal account is provided to continue the expanded incident response program implemented in Fiscal Year 2003 to reduce congestion and improve safety. The incident response personnel were changed from a response mode to a roving mode to more quickly respond to incidents. Their primary duty remains responding to the Washington State Patrol for safety purposes; with their secondary role is to assist motorists and clear lane blockages during peak traffic periods. The Department will also continue the public-private partnership for privately sponsored motorist assistance vans.

\$2,100,000 of the motor vehicle account funds system additions such as new traffic signals, ramp meters, electronic message signs, communications stations, roadway/traffic web sites, and roadway weather information stations. Funding is also provided to remove illegal billboards, respond to constituents, collect performance measure data, etc.

## TRANSPORTATION

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program S00

**DOT - Transportation Management and Support****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	171.9		27,070	27,070
<b>Total Maintenance Level</b>	174.9		27,362	27,362
Difference	3.0		292	292
Percent Change from Current Biennium	1.7%		1.1%	1.1%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(174.9)		(27,362)	(27,362)
Transportation Management and Support (S)	161.8		26,887	26,887
Employee-related and Internal Service Cost Adjustments			362	362
Staff Reductions and Operating Efficiencies	(4.9)		(168)	(168)
<b>Subtotal</b>	(18.0)		(281)	(281)
<b>Total Proposed Budget</b>	156.9		27,081	27,081
Difference	(15.0)		11	11
Percent Change from Current Biennium	(8.7)%		0.0%	0.0%

**Transportation Management and Support (S)**

This program consolidates agency-wide executive management and support service functions. It benefits the entire agency and is termed overhead, because the costs cannot easily be distributed to any one product or service. Some of its activities include: executive administration and support services; audit; communications; government liaison; ombudsman's office; budget and financial planning; accounting; risk management; human resources management; commute trip reduction; and mail and library services. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Puget Sound Ferry Operations Account-State, Multimodal Transportation Account-State)

Two transportation planning specialist positions and \$303,000 are eliminated from the Economics Branch of the program.

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

## TRANSPORTATION

Program T00

### DOT - Transportation Planning, Data and Research

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	170.3		34,075	34,075
<b>Total Maintenance Level</b>	169.3		32,026	32,026
Difference	(1.0)		(2,049)	(2,049)
Percent Change from Current Biennium	(0.6)%		(6.0)%	(6.0)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(169.3)		(32,026)	(32,026)
Transportation Planning, Data, Research Support (T)	181.8		33,103	33,103
Employee-related and Internal Service Cost Adjustments			401	401
Staff Reductions and Operating Efficiencies	(3.3)		(118)	(118)
<b>Subtotal</b>	9.2		1,360	1,360
<b>Total Proposed Budget</b>	178.5		33,386	33,386
Difference	8.2		(689)	(689)
Percent Change from Current Biennium	4.8%		(2.0)%	(2.0)%

#### Transportation Planning, Data, Research Support (T)

This program supports the multimodal transportation planning, data, and research needs of the Department. Activities include statewide planning; technical assistance; administration of transportation planning funds and programs; strategic assessment for performance measures and agency accountability; collection and analysis of roadway, traffic, and collision data; geographic services; and administration of an applied research and technology transfer program. It also provides administration for the federally required Work Program and facilitation of federal and state pass-through funds for Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Organizations (RTPOs). (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Multimodal Transportation Account-State, Multimodal Transportation Account-Federal)

The program will reduce maintenance on the functional class database by \$140,000.

Transportation planning and strategic assessment efforts are reduced by \$753,000. The activities that are reduced are services for the Washington Transportation Plan, technical assistance to regional staff for modeling and analysis, analysis of plans included in the Washington State Transportation Improvement Program, and reductions in regional staff participating in corridor studies, and the Highway System Plan.

The program will eliminate training on the Global Positioning System for mapping grade data collection (\$225,000).

Funding for administrative positions is eliminated due to consolidation and cross training (\$166,000).

Two positions that provide support for the Public-Private Initiative are eliminated (\$202,000).

\$2,740,000 is provided to manage and maintain a statewide collision records system for both data and images beginning with collisions occurring in calendar year 2002 on state highways.

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

## TRANSPORTATION

Program U00

### DOT - Charges From Other Agencies

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>			42,829	42,829
<b>Total Maintenance Level</b>			45,043	45,043
Difference			2,214	2,214
Percent Change from Current Biennium			5.2%	5.2%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base			(45,043)	(45,043)
Charges From Other Agencies (Payments to Other Agencies) (U)			44,384	44,384
Employee-related and Internal Service Cost Adjustments			411	411
Self-Insurance Premiums			17,626	17,626
<b>Subtotal</b>			17,378	17,378
<b>Total Proposed Budget</b>			62,421	62,421
Difference			19,592	19,592
Percent Change from Current Biennium			45.7%	45.7%

#### Charges From Other Agencies (Payments to Other Agencies) (U)

This program funds a variety of services rendered by other state agencies, such as archives and records management; audit services; utilities; mail and parking services; personnel services; self-insurance; risk management; torts claims payments; and capital projects surcharges. (Motor Vehicle Account-State)

#### Self-Insurance Premiums

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.



Program V00

**DOT - Public Transportation****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	27.2		14,333	14,333
<b>Total Maintenance Level</b>	27.2		13,806	13,806
Difference			(527)	(527)
Percent Change from Current Biennium	0.0%		(3.7)%	(3.7)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(27.2)		(13,806)	(13,806)
Public Transportation (V)	15.8		7,367	7,367
Employee-related and Internal Service Cost				
Adjustments			65	65
Staff Reductions and Operating Efficiencies	(.3)		(20)	(20)
<b>Subtotal</b>	(11.7)		(6,394)	(6,394)
<b>Total Proposed Budget</b>	15.6		7,412	7,412
Difference	(11.7)		(6,921)	(6,921)
Percent Change from Current Biennium	(42.8)%		(48.3)%	(48.3)%

**Public Transportation (V)**

The Public Transportation Program provides support and technical assistance for public transportation and trip reduction efforts. Activities include state and federal grants administration; planning and technical assistance; rural mobility grant program; Agency Council on Coordinated Transportation (ACCT); Transportation Demand Management; statewide commute trip reduction; and program administration. (Multimodal Transportation Account-State, Multimodal Transportation Account-Federal, Multimodal Transportation Account-Local)

The Agency Council on Coordinated transportation (ACCT) is a council of state agencies, transportation providers, consumer advocates, and legislators with the mission to promote the coordination of transportation for people with special transportation needs. ACCT was established as an institutional framework for discussing issues and initiating change, reporting to the legislature and recommending legislative remedies. Funding for this program is eliminated, saving \$877,000.

Currently, Washington law requires major employers located in the state's nine most populous counties to make a good faith effort to reduce vehicle trips to their worksites. The Department of Transportation supports the Commute Trip Reduction Program with \$5.5 million in direct and indirect assistance to employers to encourage their employees to get to work by means other than driving alone. The Governor's budget redirects these scarce dollars instead for enhanced incident response.

## TRANSPORTATION

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

*Program WOC***DOT - Washington State Ferries - Capital****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	130.7		177,362	177,362
<b>Total Maintenance Level</b>	36.7		56,177	56,177
Difference	(94.0)		(121,185)	(121,185)
Percent Change from Current Biennium	(71.9)%		(68.3)%	(68.3)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(36.7)		(56,177)	(56,177)
Washington State Ferries Capital Construction (W)	120.0		161,000	161,000
<b>Subtotal</b>	83.3		104,823	104,823
<b>Total Proposed Budget</b>	120.0		161,000	161,000
Difference	(10.7)		(16,362)	(16,362)
Percent Change from Current Biennium	(8.2)%		(9.2)%	(9.2)%

**Washington State Ferries Capital Construction (W)**

The capital construction program for the ferry system funds the construction of new vessels and terminals and the repair of vessels and terminals to keep them in safe, efficient operational order. It contains three major activity categories: terminals, vessels, and emergency repairs. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Bonded, Multimodal Transportation Account-State)

\$104,823,000 of new preservation projects on terminals and vessels are included in the proposal to ensure the continued reliable operations of the ferry system.

## TRANSPORTATION

Program X00

### DOT - Washington State Ferries

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,689.3		316,334	316,334
<b>Total Maintenance Level</b>	1,689.3		322,959	322,959
Difference			6,625	6,625
Percent Change from Current Biennium	0.0%		2.1%	2.1%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,689.3)		(322,959)	(322,959)
General Inflation			2,211	2,211
Washington State Ferries Maintenance and Operations (X)	1,649.3		322,175	322,175
Employee-related and Internal Service Cost Adjustments			4,210	4,210
Staff Reductions and Operating Efficiencies	(34.1)		(1,156)	(1,156)
<b>Subtotal</b>	(74.1)		4,481	4,481
<b>Total Proposed Budget</b>	1,615.3		327,440	327,440
Difference	(74.1)		11,106	11,106
Percent Change from Current Biennium	(4.4)%		3.5%	3.5%

#### General Inflation

Funding is provided for general inflation to maintain the current level of service for the Washington State Ferries.

#### Washington State Ferries Maintenance and Operations (X)

The state's ferry system is the largest in the nation. In Fiscal Year 2001, ferries transported 11.5 million vehicles and 26.6 million riders. This program supports ferry vessels and terminals in three major activity categories: daily operations, maintenance, and administrative support. (Puget Sound Ferry Operations Account-State)

The Labor Relations Office within the Ferry Operations Program is responsible for conducting negotiations with thirteen labor unions represented by nine collective bargaining agreements that are negotiated every two years. In addition, the staff handle grievances filed by the unions, unfair labor practices, and arbitrations. The Labor Relations Office currently has one permanent employee, and contracted temporary staff, to perform these functions. \$309,000 and four positions are added to this office to better represent the Department in labor relations.

Washington State Ferries is subject to numerous state and federal mandates, which govern the safe and environmentally sensitive operations. The safety, regulatory and environmental elements of the Ferry documentation Safety Management System are consolidated into one organization. \$551,000 and 3.5 positions are added to the program budget to support; oversee the new respiratory protection program and the hearing conservation program; and to provide administrative support to the safety and environmental protection programs and Safety Management Systems.

A Senior Deck Officer or Staff Master is added for each ferry to manage and oversee the daily above-deck activities. The deck department is the largest and most complex organization within the ferry operations. The existing structure is inadequate in terms of span of control and for the scope and complexity of the operations. This activity will duplicate the management structure that exists below deck where the vessel has one person responsible for all of the machinery and systems. \$271,000 is added to existing positions to upgrade them to a Senior Deck Officer or Staff Master.

A Risk Management Organization is established in the Ferry Maintenance and Operations Program to manage on-the-job injury claims. External experts will be used to perform medical reviews, worker surveillance and fraud investigation. Three new positions will provide program support, including technical safety investigation services, following on-the-job accidents and incidents, and professional program review and coordination.

#### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

## TRANSPORTATION

Program Y00

### DOT - Rail - Operating

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	11.9		33,041	33,041
<b>Total Maintenance Level</b>	11.9		33,052	33,052
Difference			11	11
Percent Change from Current Biennium	0.0%		0.0%	0.0%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(11.9)		(33,052)	(33,052)
Rail (Y)	11.9		35,070	35,070
Employee-related and Internal Service Cost Adjustments			29	29
Staff Reductions and Operating Efficiencies	(.1)		(8)	(8)
<b>Subtotal</b>	(.1)		2,039	2,039
<b>Total Proposed Budget</b>	11.8		35,091	35,091
Difference	(.1)		2,050	2,050
Percent Change from Current Biennium	(0.8)%		6.2%	6.2%

#### Rail (Y)

The Rail Program manages, coordinates, and supports passenger and freight rail in cooperation with AMTRAK and other rail lines. Responsibilities include the development and updating of the freight rail plan, and the planning, funding, and implementation of rail passenger service. (Multimodal Transportation Account-State)

An additional \$2,031,000 is added to pay for increased service contracts with AMTRAK and Talgo. This funding will maintain the current AMTRAK Cascades service frequencies, including four state-sponsored passenger rail service runs, and will maintain train sets used for state-sponsored intercity rail operations.

#### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program Y0C

**DOT - Rail - Capital****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	9.5		21,440	21,440
<b>Total Maintenance Level</b>				
Difference	(9.5)		(21,440)	(21,440)
Percent Change from Current Biennium	(100.0)%		(100.0)%	(100.0)%
<b>Performance Changes (Activities)</b>				
Rail (Y)	4.0		6,592	6,592
<b>Subtotal</b>	4.0		6,592	6,592
<b>Total Proposed Budget</b>	4.0		6,592	6,592
Difference	(5.5)		(14,848)	(14,848)
Percent Change from Current Biennium	(57.9)%		(69.3)%	(69.3)%

**Rail (Y)**

The Rail Program is responsible for capital investments in the passenger rail program including track improvements and acquisition of passenger train equipment. The program also provides grants for light density freight rail systems and the Washington Fruit Express. (Multimodal Transportation Account-State, Multimodal Transportation Account-Federal, Essential Rail Assistance Account-State, Washington Fruit Express Account-State)

The program is authorized to lease Washington Fruit Express train cars with a limit of \$500,000 per biennia.

The environmental impact statement for constructing an additional main line and reconstructing the existing track over an eighteen mile corridor (Kelso-Martin Bluff 3rd Mainline) will be completed during the 2003-05 Biennium at a cost of \$2,430,000.

\$662,000 of funding for small scale improvements on the Pacific Northwest Corridor are added to the program budget.

An additional \$3 million is added to the budget for emerging projects that would result in maintaining service on light-density rail lines, or would result in creating new jobs in rural or depressed areas.

## TRANSPORTATION

Program Z00

### DOT - Local Programs - Operating

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	47.0		9,624	9,624
<b>Total Maintenance Level</b>	47.0		8,773	8,773
Difference			(851)	(851)
Percent Change from Current Biennium	0.0%		(8.8)%	(8.8)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(47.0)		(8,773)	(8,773)
Local Programs (Z)	44.0		9,423	9,423
Employee-related and Internal Service Cost Adjustments			99	99
Staff Reductions and Operating Efficiencies	(1.4)		(34)	(34)
<b>Subtotal</b>	(4.4)		715	715
<b>Total Proposed Budget</b>	42.6		9,488	9,488
Difference	(4.4)		(136)	(136)
Percent Change from Current Biennium	(9.4)%		(1.4)%	(1.4)%

#### Local Programs (Z)

Local Programs provides federal oversight and financial and technical support to local agencies, including cities, counties, ports, transit agencies, tribal governments, and others to help them succeed in meeting their transportation goals. Activities include oversight of 14 federally-funded programs and eight state-funded grant programs in over 1,500 local agency projects; development of project priorities; authorization and monitoring of projects; development of guidelines and management of amendments for the State Transportation Improvement Program (STIP); federally delegated oversight on environmental, design and construction activities on all federally-funded projects; oversight of Bridge Inspection and Emergency Relief programs; guidance and collaboration on project scoping, funding, design, environmental documentation, construction, and project closure. Bicycle and Pedestrian Administration provides oversight for approximately \$3 million of sidewalks, bike lanes, train, pedestrian, and transit rider crossing improvements. Operating subsidy reimburses Wahkiakum County for a portion of the operating and maintenance costs related to the Wahkiakum County Ferry. (Motor Vehicle Account-State, Motor Vehicle Account-Federal)

An additional \$200,000 of funding is provided to pay 80 percent of the operating deficit of the Wahkiakum County ferry. This includes subsidy funding related to the increased cost of operating the ferry twenty-four hours per day, rather than the usual eighteen hours per day, during the Department's project to resurface the nearby Lewis and Clark Bridge.

\$160,000 of additional funding is provided to implement a Maintenance Administrative Review Program in the central Puget Sound region and expand it to all areas of the state.

\$342,000 of one-time funding is provided for training to local agencies on conducting roadway maintenance activities in compliance with regulations contained in the Endangered Species Act.



**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

## TRANSPORTATION

Program Z0C

### DOT - Local Programs - Capital

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>			93,587	93,587
<b>Total Maintenance Level</b>				
Difference			(93,587)	(93,587)
Percent Change from Current Biennium			(100.0)%	(100.0)%
<b>Performance Changes (Activities)</b>				
Local Programs (Z)			1,809	1,809
<b>Subtotal</b>			1,809	1,809
<b>Total Proposed Budget</b>			1,809	1,809
Difference			(91,778)	(91,778)
Percent Change from Current Biennium			(98.1)%	(98.1)%

#### Local Programs (Z)

Local Programs manages, and annually distributes, federal funds and administers state grants for local transportation improvement projects off and on the state highway system. (Highway Infrastructure Account-State, Highway Infrastructure Account-Federal)

\$1,809,000 of funding is provided for low-cost financing for transportation infrastructure projects sponsored by local agencies utilizing state funds.

Agency 406

## County Road Administration Board

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	16.2		89,400	89,400
<b>Total Maintenance Level</b>	16.2		78,789	78,789
Difference			(10,611)	(10,611)
Percent Change from Current Biennium	0.0%		(11.9)%	(11.9)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(16.2)		(78,789)	(78,789)
Administration #				
Rural Arterial Program #				
Urban and Rural Arterial Road Preservation #				
<b>Subtotal</b>	(16.2)		(78,789)	(78,789)
<b>Total Proposed Budget</b>				
Difference	(16.2)		(89,400)	(89,400)
Percent Change from Current Biennium	(100.0)%		(100.0)%	(100.0)%

#### Administration #

The County Road Administration Board (CRAB) maintains the statewide inventory of county roads used as the basis for grant program eligibility and fuel tax calculations and prepares the calculations for each county's annual fuel tax allocation. The Board sets standards of operation for all county road agencies and enforces them through an annual reporting system and site visits. It also provides technical and administrative assistance to counties, including information technology services and training. (Rural Arterial Account-State, Motor Vehicle Account-State, County Arterial Account-State)

This activity has been transferred to the Local Transportation Grant Board.

#### Rural Arterial Program #

Rural Arterial Trust Account funds are distributed to the counties in the form of project grants to improve rural collector roads and provide transportation engineering assistance. (Rural Arterial Trust Account-State, Motor Vehicle Account-State)

This activity has been transferred to the Local Transportation Grant Board.

#### Urban and Rural Arterial Road Preservation #

County Arterial Preservation Account funds are distributed to counties in the form of project grants to maintain urban and rural arterial roads. (County Arterial Preservation Account-State)

This activity has been transferred to the Local Transportation Grant Board.

## TRANSPORTATION

Agency 407

### Transportation Improvement Board

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	16.9		239,201	239,201
<b>Total Maintenance Level</b>	16.9		203,162	203,162
Difference			(36,039)	(36,039)
Percent Change from Current Biennium	0.0%		(15.1)%	(15.1)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(16.9)		(203,162)	(203,162)
Agency Administration #				
Arterial Improvement Program #				
City Hardship Assistance Program #				
Pedestrian Safety and Mobility Program #				
Small City Program #				
Transportation Partnership Program #				
<b>Subtotal</b>	(16.9)		(203,162)	(203,162)
<b>Total Proposed Budget</b>				
Difference	(16.9)		(239,201)	(239,201)
Percent Change from Current Biennium	(100.0)%		(100.0)%	(100.0)%

#### Agency Administration #

This activity provides for the administration of the Transportation Improvement Board's five funding programs. (Urban Arterial Trust Account-State, Transportation Improvement Account-State)

This activity has been transferred to the Local Transportation Grant Board.

#### Arterial Improvement Program #

The Arterial Improvement Program awards grants to reduce congestion and improve safety, geometrics, and structural deficiencies. Funds are distributed regionally based on roadway miles, population, and needs. Projects are selected through a competitive process and are eligible for reimbursement up to 80 percent. The program's current inventory has over 200 projects with a total program obligation of \$300 million. (Urban Arterial Trust Account-State)

This activity has been transferred to the Local Transportation Grant Board.

#### City Hardship Assistance Program #

This program provides funding to cities that assume responsibility for a state highway when it is relocated or deleted from the state system. Eligible projects include any transferred state highway in a city with fewer than 20,000 in population that has extraordinary maintenance needs. Projects are selected on a competitive basis and based on structural condition, accident experience, and relationship to other local agency projects. The program's current inventory has five projects with a total program obligation of \$1 million. (Urban Arterial Trust Account-State)

This activity has been transferred to the Local Transportation Grant Board.

**Pedestrian Safety and Mobility Program #**

This program provides grant funds to enhance and promote pedestrian mobility and safety. Projects are selected through a competitive process. The program's current inventory includes more than 150 projects with a total program obligation of \$14 million. (Urban Arterial Trust Account-State)

This activity has been transferred to the Local Transportation Grant Board.

**Small City Program #**

This program awards grants to preserve and improve the roadway system in cities and towns with less than 5,000 residents. Projects are selected through a competitive process and reimbursed depending upon the city's population. The program's current inventory has over 160 projects with a total program obligation of \$38 million. (Urban Arterial Trust Account-State)

This activity has been transferred to the Local Transportation Grant Board.

**Transportation Partnership Program #**

This program provides grant funding for projects to relieve congestion caused by economic development or rapid growth in cities with a population greater than 5,000, urban counties, and Transportation Benefit Districts (TBD). Projects must be consistent with state, regional, and local transportation plans, and must be partially funded by local contributions. The program's current inventory has over 220 projects with a total obligation of \$450 million. (Transportation Improvement Account-State, Transportation Improvement Account-Bonded)

This activity has been transferred to the Local Transportation Grant Board.

## TRANSPORTATION

Agency 408

### Marine Employees' Commission

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	2.3		339	339
<b>Total Maintenance Level</b>	2.3		354	354
Difference			15	15
Percent Change from Current Biennium	0.0%		4.4%	4.4%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(2.3)		(354)	(354)
Marine Labor Relations #				
<b>Subtotal</b>	(2.3)		(354)	(354)
<b>Total Proposed Budget</b>				
Difference	(2.3)		(339)	(339)
Percent Change from Current Biennium	(100.0)%		(100.0)%	(100.0)%

#### Marine Labor Relations #

The Marine Employees' Commission resolves disputes between ferry system management and the thirteen unions representing ferry workers to ensure continuous operation of the ferries. Commission members are trained as administrative law judges and hear charges of unfair labor practices and grievances from collective bargaining agreements. (Puget Sound Ferry Operations Account-State)

This activity has been transferred to the Public Employment Relations Commission.

Agency 410

## Transportation Commission

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	6.0		782	782
<b>Total Maintenance Level</b>	6.0		808	808
Difference			26	26
Percent Change from Current Biennium	0.0%		3.3%	3.3%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(6.0)		(808)	(808)
Transportation Management and Policy	6.0		782	782
Employee-related and Internal Service Cost Adjustments			28	28
<b>Subtotal</b>			2	2
<b>Total Proposed Budget</b>	6.0		810	810
Difference			28	28
Percent Change from Current Biennium	0.0%		3.6%	3.6%

#### Transportation Management and Policy

The Commission represents the public interest in the long-term planning, financing, and delivery of statewide transportation systems and services. It appoints the Secretary of Transportation; establishes department policy; and approves the Department's budget requests and legislative proposals. It approves bond sales and determines ferry fares and highway or bridge tolls. It develops and oversees implementation of capital projects for highways, ferries and ferry terminals, and state-funded passenger rail improvements. The Commission also creates benchmarks and performance measures for the state, regional and local transportation systems, and reports their performance to the public. (Motor Vehicle Account-State)

#### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

## TRANSPORTATION

Agency 411

### Freight Mobility Strategic Investment Board

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	2.0		725	725
<b>Total Maintenance Level</b>	2.0		620	620
Difference			(105)	(105)
Percent Change from Current Biennium	0.0%		(14.5)%	(14.5)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(2.0)		(620)	(620)
Freight Mobility Strategic Investment Board #				
<b>Subtotal</b>	(2.0)		(620)	(620)
<b>Total Proposed Budget</b>				
Difference	(2.0)		(725)	(725)
Percent Change from Current Biennium	(100.0)%		(100.0)%	(100.0)%

#### Freight Mobility Strategic Investment Board #

The Board is charged with developing a comprehensive and coordinated state policy that facilitates freight movement within the state to enhance local, national, and international markets. It is responsible for developing freight partnership projects, reviewing and evaluating funding applications, and recommending to the Governor and Legislature projects which will enhance freight mobility. (Motor Vehicle Account-State)

This activity has been transferred to the Local Transportation Grant Board.



## Local Transportation Grant Board

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2003-05 Expenditure Authority</b>				
<b>Performance Changes (Activities)</b>				
Agency Administration #	20.0		5,000	5,000
Transportation Partnership Program #			99,955	99,955
Arterial Improvement Program #			78,000	78,000
Small City Program #			15,300	15,300
Pedestrian Safety and Mobility Program #			5,168	5,168
City Hardship Assistance Program #			1,500	1,500
Rural Arterial Program #			46,362	46,362
Urban and Rural Arterial Road Preservation #			29,000	29,000
Employee-related and Internal Service Cost Adjustment			191	191
Staff Reductions and Operating Efficiencies	(.1)		(16)	(16)
<b>Subtotal</b>	<b>19.9</b>		<b>280,460</b>	<b>280,460</b>
<b>Total Proposed Budget</b>	<b>19.9</b>		<b>280,460</b>	<b>280,460</b>
Difference	19.9		280,460	280,460
Percent Change from Current Biennium	100.0%		100.0%	100.0%

#### Agency Administration #

The Local Transportation Grant Board will administer the Transportation Partnership Program, Arterial Improvement Program, Small City Program, Pedestrian Safety Mobility Program, and City Hardship Assistance Program. It will maintain the statewide inventory of county roads used as the basis for grant program eligibility and fuel tax calculations, and prepare the calculations for each county's annual fuel tax allocation. The Board will develop freight partnership project criteria, review and evaluate funding applications, and recommend to the Governor and Legislature projects which will enhance freight mobility. (Various other funds)

The Agency Administration Program is reduced by \$2,282,000 and 13.1 FTE staff years. These savings are achieved by consolidating the administrative functions of three agencies into one.

This activity has been transferred from the County Road Administration Board, the Transportation Improvement Board, and the Freight Mobility Strategic Investment Board.

#### Transportation Partnership Program #

This program provides grant funding for projects to relieve congestion caused by economic development or rapid growth in cities with a population greater than 5,000, urban counties, and Transportation Benefit Districts (TBD). Projects must be consistent with state, regional, and local transportation plans, and must be partially funded by local contributions. The program's current inventory has over 220 projects with a total program obligation of \$450 million. (Transportation Improvement Account-State, Motor Vehicle Account-Bonded)

This activity has been transferred from the Transportation Improvement Board.

## TRANSPORTATION

### **Arterial Improvement Program #**

The Arterial Improvement Program awards grants to reduce congestion and improve safety, geometrics, and structural deficiencies. Funds are distributed regionally based on roadway miles, population, and needs. Projects are selected through a competitive process and are eligible for reimbursement up to 80 percent. The program's current inventory has over 200 projects with a total program obligation of \$300 million. (Urban Arterial Trust Account-State)

This activity has been transferred from the Transportation Improvement Board.

### **Small City Program #**

This program awards grants to preserve and improve the roadway system in cities and towns with less than 5,000 residents. Projects are selected through a competitive process and reimbursed depending upon the city's population. The program's current inventory has over 160 projects with a total program obligation of \$38 million. (Urban Arterial Trust Account-State)

This activity has been transferred from the Transportation Improvement Board.

### **Pedestrian Safety and Mobility Program #**

This program provides grant funds to enhance and promote pedestrian mobility and safety. Projects are selected through a competitive process. The program's current inventory includes more than 150 projects with a total program obligation of \$14 million. (Urban Arterial Trust Account-State)

This activity has been transferred from the Transportation Improvement Board.

### **City Hardship Assistance Program #**

This program provides funding to cities that assume responsibility for a state highway when it is relocated or deleted from the state system. Eligible projects include any transferred state highway in a city with fewer than 20,000 in population that has extraordinary maintenance needs. Projects are selected on a competitive basis and based on structural condition, accident experience, and relationship to other local agency projects. The program's current inventory has five projects with a total program obligation of \$1 million. (Urban Arterial Trust Account-State)

This activity has been transferred from the Transportation Improvement Board.

### **Rural Arterial Program #**

Rural Arterial Trust Account moneys are distributed to counties in the form of project grants to improve rural collector roads and provide transportation engineering assistance. (Rural Arterial Trust Account-State, Motor Vehicle Account-State)

This activity has been transferred from the County Road Administration Board.

### **Urban and Rural Arterial Road Preservation #**

County Arterial Preservation Account moneys are distributed to counties in the form of project grants to maintain urban and rural arterial roads. (County Arterial Preservation Account-State)

This activity has been transferred from the County Road Administration Board.

### **Employee-related and Internal Service Cost Adjustment**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)



Agency 345

## State Board of Education

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>			148,456	148,456
<b>Total Maintenance Level</b>				
Difference			(148,456)	(148,456)
Percent Change from Current Biennium			(100.0)%	(100.0)%
<b>Performance Changes (Activities)</b>				
Transfers to School Construction			131,000	131,000
<b>Subtotal</b>			131,000	131,000
<b>Total Proposed Budget</b>			131,000	131,000
Difference			(17,456)	(17,456)
Percent Change from Current Biennium			(11.8)%	(11.8)%

**Transfers to School Construction**

A total of \$27 million from the Education Savings Account and \$104.5 million from the Education Construction Account will be deposited in the Common School Construction Account for state matching funds for K-12 school construction projects. (Education Construction Account, Education Savings Account)

Agency 350

## Superintendent of Public Instruction

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	300.5	9,854,993	1,501,168	11,356,161
<b>Total Maintenance Level</b>	301.5	10,354,289	2,045,642	12,399,931
Difference	1.0	499,296	544,474	1,043,770
Percent Change from Current Biennium	0.3%	5.1%	36.3%	9.2%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(301.5)	(10,354,289)	(2,045,642)	(12,399,931)
OSPI Policy and Administration	84.0	12,143	3,687	15,830
A+ Commission	3.0	620		620
Assessment and Research #	28.9	31,060	15,455	46,515
Audit Management and Resolution	3.1	336	162	498
Curriculum and Instruction	12.6	986	906	1,892
OSPI High Academic Standards	1.7	680		680
Student Support Services	58.7	2,334	5,332	7,666
Teacher Certification	17.2	3,030	418	3,448
State Board of Education	5.0	1,006		1,006
Professional Educator Standards Bd	3.7	832		832
Educational Service Districts		6,072		6,072
General Apportionment		8,011,517		8,011,517
Special Education	1.5	885,584	410,253	1,295,837
Bilingual Education		102,496	46,309	148,805
Pupil Transportation		426,250		426,250
Institutional Education		37,441		37,441
Highly Capable Student Education		11,309		11,309
Learning Assistance #		151,220	307,178	458,398
Student Achievement Fund #			421,876	421,876
Levy Equalization #		321,900		321,900
Cost of Living Increases #				
Health Benefit Increases		143,733	163	143,896
Teacher Professional Development	1.9		87,901	87,901
Community Learning Centers			12,977	12,977
School Food Services		6,200	272,069	278,269
Pension Rate Changes #		(63,643)	(76)	(63,719)
Food Distribution for Child Care			106,759	106,759
Special Programs Administration	51.5	990	5,324	6,314
Other Grants	1.5		127,802	127,802
Alternative Certification Routes	.3	1,518		1,518
Anti-Bullying/Harassment Training				
Cisplus-Environmental Learning				
Focused Assistance Schools	2.0	7,492		7,492
Information Technology	4.0	4,170		4,170
K20 Network Technical Support	3.9	3,878		3,878
LASER - Science Education				
Leadership Internships/Assistance		626		626
Math Helping Corps	1.5	3,528		3,528
Meals for Kids		5,000		5,000
National Board Certification Bonus		4,061		4,061

KINDERGARTEN THROUGH GRADE 12 EDUCATION

	Annual FTEs	General Fund State	Other Funds	Total Funds
Nurse Corps				
Pacific Science Center				
Paraprofessional Training				
Readiness to Learn				
Reading Corps	1.5	7,426		7,426
School Safety Center	1.5	182		182
Nonviolence and Leadership Training				
School Safety Training				
Sexual Abstinence Program				
Summer Institutes	1.5		960	960
Teacher Mentor Assistance	.6	4,696		4,696
Vocational Student Leadership		194		194
State Flexible Education Funds				
Employee-related and Internal Service Cost				
Adjustments		700	195	895
Staff Reductions and Operating Efficiencies	(24.3)	(888)	(412)	(1,300)
<b>Subtotal</b>	<b>(34.7)</b>	<b>(217,610)</b>	<b>(220,404)</b>	<b>(438,014)</b>
<b>Total Proposed Budget</b>	<b>266.8</b>	<b>10,136,679</b>	<b>1,825,238</b>	<b>11,961,917</b>
Difference	(33.7)	281,686	324,070	605,756
Percent Change from Current Biennium	(11.2)%	2.9%	21.6%	5.3%

Program 010

**SPI - Office of the Superintendent of Public Instruction****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	261.3	52,149	140,967	193,116
<b>Total Maintenance Level</b>	257.3	44,618	87,086	131,704
Difference	(4.0)	(7,531)	(53,881)	(61,412)
Percent Change from Current Biennium	(1.5)%	(14.4)%	(38.2)%	(31.8)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(257.3)	(44,618)	(87,086)	(131,704)
OSPI Policy and Administration	84.0	12,143	3,687	15,830
Assessment and Research #	7.4	1,654		1,654
Audit Management and Resolution	3.1	336	162	498
Curriculum and Instruction	12.6	986	906	1,892
Student Support Services	58.7	2,334	5,332	7,666
Teacher Certification	17.2	3,030	418	3,448
State Board of Education	5.0	1,006		1,006
Professional Educator Standards Bd	3.7	832		832
Community Learning Centers			12,977	12,977
Food Distribution for Child Care			1,967	1,967
Special Programs Administration	51.5	990	5,324	6,314
Other Grants			56,058	56,058
Alternative Certification Routes	.3	1,518		1,518
Anti-Bullying/Harassment Training				
Cisplus-Environmental Learning				
K20 Network Technical Support	3.9	3,878		3,878
LASER - Science Education				
Nurse Corps				
Pacific Science Center				
School Safety Center	1.5	182		182
Nonviolence and Leadership Training				
School Safety Training				
Sexual Abstinence Program				
Vocational Student Leadership		194		194
Employee-related and Internal Service Cost				
Adjustments		617	195	812
Staff Reductions and Operating Efficiencies	(21.3)	(698)	(412)	(1,110)
<b>Subtotal</b>	(29.7)	(15,616)	(472)	(16,088)
<b>Total Proposed Budget</b>	227.6	29,002	86,614	115,616
Difference	(33.7)	(23,147)	(54,353)	(77,500)
Percent Change from Current Biennium	(12.9)%	(44.4)%	(38.6)%	(40.1)%



### **OSPI Policy and Administration**

The Superintendent of Public Instruction is a statewide elected official charged with the constitutional responsibility of overseeing Washington's public school system. The state allocates \$5.3 billion per year from state funds for the support of public education. The Office of the Superintendent of Public Instruction (OSPI) apportions the funds to school districts, administers state-funded programs, certifies teachers, collects school data, implements state education laws and programs, and performs other duties as required by the Legislature. In addition, OSPI administers \$650 million in federal funds per year and is accountable for Washington's implementation of federal requirements placed on state education agencies. The policy and administrative agency functions include the Superintendent's office, state policy and federal liaison offices, budget and school business services, communications, human resources, and information technology offices. (General Fund-State, General Fund-Federal)

The General Fund-State administrative budget of the Superintendent of Public Instruction is reduced by five percent through administrative efficiencies and reductions at the state office.

### **Assessment and Research #**

This division of OSPI provides schools with tests to measure student achievement of basic academic requirements and more advanced skills. The division develops or selects and administers all state assessments and reports achievement data for individual students, schools, districts, and the overall state. This information helps districts and schools refine instructional practices and focus curriculum. Tests administered statewide include the Washington Assessment of Student Learning (WASL), the Iowa Tests of Basic Skills (ITBS), and the Iowa Tests of Educational Development (ITED), and an alternative assessment for special education students.

The administrative budget of the Superintendent of Public Instruction is reduced by five percent through administrative efficiencies and reductions at the state office.

### **Audit Management and Resolution**

This office acts as audit liaison between OSPI and state and federal agencies. This unit ensures that OSPI complies with state and federal audit requirements, resolves all audit findings, conducts limited scope federal audits of districts that spend less than \$300,000 of federal funds, and provides technical assistance to OSPI and school districts. (General Fund-State, General Fund-Federal)

The General Fund-State administrative budget of the Superintendent of Public Instruction is reduced by five percent through administrative efficiencies and reductions at the state office.

### **Curriculum and Instruction**

The OSPI Curriculum and Instruction Division works with the Assessment and Research Division to support curriculum, assessment, and instructional alignment in Washington schools. Technical support is provided to school districts and educational service districts regarding curriculum, program development, and research-based best practices/instructional strategies that support state K-12 learning goals. The division is responsible for developing the Essential Academic Learning Requirements (EALRs) and aligning them with the WASL test. This division administers the Reading Corps, Math Helping Corps, and the Washington Reads programs, which provide specific support to struggling schools. (General Fund-State, General Fund-Federal)

The General Fund-State administrative budget of the Superintendent of Public Instruction is reduced by five percent through administrative efficiencies and reductions at the state office.

### **Student Support Services**

OSPI works to develop school/family partnerships, promote health and safety for students and staff, and support alternative learning environments. This division manages child health, institutional education, pupil transportation, and child nutrition programs. (General Fund-State, General Fund-Federal)

The General Fund-State administrative budget of the Superintendent of Public Instruction is reduced by five percent through administrative efficiencies and reductions at the state office.

### **Teacher Certification**

This division of OSPI oversees the activities of the Professional Education and Certification program as well as the Community Outreach program. Primary efforts are focused on developing professional educational policies to ensure that educators are prepared to help students meet high standards, processing applications for teaching and administrative certificates, advising constituents on certification requirements, and conducting focused outreach programs. (General Fund-State, General Fund-Federal)

The General Fund-State administrative budget of the Superintendent of Public Instruction is reduced by five percent through administrative efficiencies and reductions at the state office.

### **State Board of Education**

The State Board of Education is a separate state agency funded within OSPI's budget. Each member represents one of the state's congressional districts, and the Superintendent is the Board's chief executive officer. The State Board of Education is charged with allocating state school construction money, and setting and monitoring education policies, such as certification of teachers, high school graduation requirements, school accreditation, basic education program requirements, and other policies as required by law.

The State Board will continue work on the Certificate of Mastery survey and study, with \$150,000 provided for that work. The Board has established the 2007-08 school year as the first year in which graduating high school students will be required to attain the state Certificate of Mastery. The Board can change the effective date of the Certificate of Mastery if it finds, by the beginning of the 2004 school year, that the assessment is lacking in validity and reliability.

### **Professional Educator Standards Bd**

The Washington Professional Educator Standards Board (WPESB) provides recommendations to the State Board of Education, Superintendent of Public Instruction, Governor, and Legislature on issues affecting education professionals, including recruitment, hiring, preparation, certification, mentoring, professional growth, and evaluation. It also oversees the alternative routes to certification program and the basic skills and subject matter assessments to be required of all teachers prior to state certification.

### **Community Learning Centers**

The 21st Century Community Learning Center grants provide services before or after school, on weekends, or during school breaks. Services to students and their families are focused on academic achievement, and can include tutoring, recreation, arts, drug and alcohol prevention, and literacy services. (General Fund-Federal)

### **Food Distribution for Child Care**

The federal government subsidizes the cost of providing meals and snacks in child care centers and home child care services. The OSPI administers this program. (Federal Food Services Revolving Account-Nonappropriated)

### **Special Programs Administration**

The Special Programs Division of OSPI administers the following programs: migrant/bilingual, special education operations, consolidated federal programs, Title I, and learning assistance program. Most programs under its supervision receive federal funding. (General Fund-State, General Fund-Federal)

The General Fund-State administrative budget of the Superintendent of Public Instruction is reduced by five percent through administrative efficiencies and reductions at the state office.

### **Other Grants**

The state and federal governments provide a wide array of grants to school districts to meet special needs. Federal grants include safe and drug-free schools, education technology funds, and grants for professional development for math and science teachers, among others. (General Fund-Federal, various other funds)

The General Fund-State grants (for civil liberties education and World War II oral history projects) are eliminated.

**Alternative Certification Routes**

This project develops teacher-training programs that serve as an alternative to the traditional teacher preparation programs. The alternative route programs are developed as partnerships between school districts and higher education teacher preparation programs. Candidates participate in full-day mentored internships complemented by training and formal learning opportunities provided on evenings or weekends, on or near school district sites, online, or via the K-20 network. Current non-certificated school employees and other mid-career professionals holding college degrees related to specific shortage areas are eligible to apply for these alternative route programs. Current shortage areas are special education, English as a second language, chemistry, physics, Japanese, mathematics, and technology education.

The total cost of this activity represents \$2.3 million in savings because of proposed changes to the program. Existing successful alternative route partnership programs will be continued, a greater number of teacher interns and mentors will be enrolled at less cost, and new regional certification-only teacher preparation centers will be established in areas of the state not currently served.

**Anti-Bullying/Harassment Training**

The OSPI has developed a model bullying and harassment prevention policy and is creating training material for use by school and educational service districts. The model policy and training materials will be disseminated via workshops, staff development activities, and other means.

State funding for this activity has been eliminated.

**Cispus-Environmental Learning**

This program supports the cost of services and educational and instructional resources to public school students and teachers using the Cispus Environmental Learning Center for instructional and developmental programs.

State support for this activity has been eliminated.

**K20 Network Technical Support**

This activity provides the technical assistance, training, scheduling, and technical support services essential for the effective and reliable functioning of the K-12 sector of the K-20 network. These services are provided on both a state and regional basis.

**LASER - Science Education**

This program assists school districts in implementing inquiry-based, K-8 science education programs by providing science kits, and training on the appropriate use of the kits, through the Pacific Science Center.

State funding for this activity has been eliminated.

**Nurse Corps**

The Nurse Corps provides nurse services to primarily smaller school districts and remote schools. These schools often lack the necessary resources to hire a full-time nurse to provide basic nursing services, vaccination updates, supervision of prescription drug dispensation, and health-related training.

This activity has been eliminated.

**Pacific Science Center**

The Pacific Science Center provides teacher in-service training and student educational programs such as the Science on Wheels traveling van for K-8 grade students, and exhibit visits, lessons, IMAX productions, and demonstrations at the Pacific Science Center.

State funding for this activity has been eliminated.

#### **School Safety Center**

The School Safety Center at OSPI serves as a clearinghouse for information related to school safety, provides direct assistance to school districts on safety plans and other safety issues, and develops training programs.

The administrative budget of the Superintendent of Public Instruction is reduced by five percent through administrative efficiencies and reductions at the state office.

#### **Nonviolence and Leadership Training**

A contract with the Institute for Community Leadership provides for training of statewide nonviolence leadership coaches, student exchanges and training, speaking opportunities, and for matching funds to support nonviolence leadership workshops.

State funding for this activity has been eliminated.

#### **School Safety Training**

The Criminal Justice Training Commission develops manuals and curricula and conducts training programs for school administrators and school safety personnel. These training programs are developed and conducted in collaboration with the School Safety Center Advisory Committee.

This activity has been eliminated.

#### **Sexual Abstinence Program**

Students design media and community campaigns promoting sexual abstinence and the importance of delaying sexual activity and pregnancy until individuals are ready to nurture and support children.

State funding for this activity has been eliminated.

#### **Vocational Student Leadership**

State funding leverages federal vocational funds to provide grant support to vocational student leadership programs such as DECA, Future Business Leaders of America (FBLA), and Future Farmers of America (FFA).

#### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program 021

**SPI - General Apportionment****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		7,498,021		7,498,021
<b>Total Maintenance Level</b>		8,016,559		8,016,559
Difference		518,538		518,538
Percent Change from Current Biennium		6.9%		6.9%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(8,016,559)		(8,016,559)
General Apportionment		8,011,517		8,011,517
Pension Rate Changes #		(54,898)		(54,898)
<b>Subtotal</b>		(59,940)		(59,940)
<b>Total Proposed Budget</b>		7,956,619		7,956,619
Difference		458,598		458,598
Percent Change from Current Biennium		6.1%		6.1%

**General Apportionment**

The Washington State Constitution requires the state to fully fund basic public education for all school-aged children. General apportionment funding, the state's largest basic education program, is provided to the state's 296 school districts through a complex formula based on the number of enrolled students, staffing ratios, average salaries, and other factors. The state funding formula provides 67,500 staff for basic education. The funds are allocated to, and spent by, the districts and their elected school boards. Approximately 69 percent of all district expenditures are for teaching, 13 percent for administration, 9 percent for school facilities and operations, and the remainder for pupil transportation and food services.

Two non-basic education activities, summer vocational and extended day skills centers, are eliminated.

Vocational skills centers offer summer programs to youths pursuing occupational training or catching up on academic competencies in an applied setting. There are currently nine centers sharing a state summer FTE student allotment of 525.58, while serving a head count of 4,258 students.

The extended day skills center program is a combination of skills training and supplementary services, which can include school supplies, bus passes, clothing, and classroom resources and assessment tools. Students that receive the supplementary services have been out of school for two months or are less likely to attend school without the services.

**Pension Rate Changes #**

State K-12 funding formulas include staffing assumptions for salaries and benefits. The pension rates are decreased based on a projected unit credit actuarial method. This results in reduced pension costs for school districts, and savings in state pension allocations.

Program 022

**SPI - Pupil Transportation****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		385,695		385,695
<b>Total Maintenance Level</b>		426,250		426,250
Difference		40,555		40,555
Percent Change from Current Biennium		10.5%		10.5%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(426,250)		(426,250)
Pupil Transportation		426,250		426,250
Pension Rate Changes #		(631)		(631)
<b>Subtotal</b>		(631)		(631)
<b>Total Proposed Budget</b>		425,619		425,619
Difference		39,924		39,924
Percent Change from Current Biennium		10.4%		10.4%

**Pupil Transportation**

Each school district electing to provide student transportation to and from school is entitled to state pupil transportation funding. The calculations for a district's pupil transportation allocation includes adjustments for the number of students transported and distance weighting factors. The state does not include students within one radius mile under the general pupil transportation allocation. However, students in grades K-5 living within one radius mile, whether transported or not, generate additional funding which can be used to transport these students or to create safer walking conditions. The state also pays for the replacement of district school buses through a depreciation system. Schools transport 480,000 students 90 million miles annually.

**Pension Rate Changes #**

State K-12 funding formulas include staffing assumptions for salaries and benefits. The pension rates are decreased based on a projected unit credit actuarial method. This results in reduced pension costs for school districts, and savings in state pension allocations.

*Program 025***SPI - School Food Services****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		6,200	290,187	296,387
<b>Total Maintenance Level</b>		6,200	376,861	383,061
Difference			86,674	86,674
Percent Change from Current Biennium		0.0%	29.9%	29.2%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(6,200)	(376,861)	(383,061)
School Food Services		6,200	272,069	278,269
Food Distribution for Child Care			104,792	104,792
<b>Subtotal</b>				
<b>Total Proposed Budget</b>		6,200	376,861	383,061
Difference			86,674	86,674
Percent Change from Current Biennium		0.0%	29.9%	29.2%

**School Food Services**

School food services are funded by both state and federal funds to provide free or reduced-price school lunches and breakfasts to eligible children. (General Fund-State, General Fund-Federal)

**Food Distribution for Child Care**

The federal government subsidizes the cost of providing meals and snacks in child care centers and home child care services. The Office of the Superintendent of Public Instruction administers this program. (Federal Food Services Revolving Account-Nonappropriated)

Program 026

**SPI - Special Education****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1.5	828,926	256,407	1,085,333
<b>Total Maintenance Level</b>	1.5	885,584	410,253	1,295,837
Difference		56,658	153,846	210,504
Percent Change from Current Biennium	0.0%	6.8%	60.0%	19.4%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1.5)	(885,584)	(410,253)	(1,295,837)
Special Education	1.5	885,584	410,253	1,295,837
Pension Rate Changes #		(6,125)	(76)	(6,201)
<b>Subtotal</b>		(6,125)	(76)	(6,201)
<b>Total Proposed Budget</b>	1.5	879,459	410,177	1,289,636
Difference		50,533	153,770	204,303
Percent Change from Current Biennium	0.0%	6.1%	60.0%	18.8%

**Special Education**

State and federal law require Washington public schools to provide appropriate educational programs to over 118,000 students with disabilities. School districts and educational service districts use state and federal funds to provide supplemental services through special educational programs. (General Fund-State, General Fund-Federal)

**Pension Rate Changes #**

K-12 funding formulas include staffing assumptions for salaries and benefits. The pension rates are decreased based on a projected unit credit actuarial method. This results in reduced pension costs for school districts, and savings in state pension allocations. (General Fund-State, General Fund-Federal)



*Program 027***SPI - Traffic Safety Education****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		4,277		4,277
<b>Total Maintenance Level</b>				
Difference		(4,277)		(4,277)
Percent Change from Current Biennium		(100.0)%		(100.0)%
<b>Total Proposed Budget</b>				
Difference		(4,277)		(4,277)
Percent Change from Current Biennium		(100.0)%		(100.0)%

Note: The Traffic Safety Education program was eliminated in the 2002 supplemental operating budget.

Program 028

**SPI - Educational Service Districts****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		9,328		9,328
<b>Total Maintenance Level</b>		10,132		10,132
Difference		804		804
Percent Change from Current Biennium		8.6%		8.6%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(10,132)		(10,132)
Educational Service Districts		6,072		6,072
<b>Subtotal</b>		(4,060)		(4,060)
<b>Total Proposed Budget</b>		6,072		6,072
Difference		(3,256)		(3,256)
Percent Change from Current Biennium		(34.9)%		(34.9)%

**Educational Service Districts**

Nine regional Educational Service Districts (ESDs) assist school districts in increasing student achievement, performing fiscal and data processing functions, and meeting state and federal requirements. This state funding comprises less than five percent of total ESD funding and is used to leverage other money to provide services to school districts that otherwise would not be available. The remainder of ESD funding comes from other specialized state and federal programs, and from contracts with school districts.

State funding for the nine regional Educational Service Districts is reduced by one-third. The State Board of Education has the authority to establish the number and boundaries of the Educational Service Districts. The Board is encouraged to consider options to consolidate current ESDs and achieve efficiency savings in the regional system. State funding for student teacher centers and training coordinator activities at the ESD's is eliminated.

Program 029

**SPI - Levy Equalization****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		295,863		295,863
<b>Total Maintenance Level</b>		354,920		354,920
Difference		59,057		59,057
Percent Change from Current Biennium		20.0%		20.0%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(354,920)		(354,920)
Levy Equalization #		321,900		321,900
<b>Subtotal</b>		(33,020)		(33,020)
<b>Total Proposed Budget</b>		321,900		321,900
Difference		26,037		26,037
Percent Change from Current Biennium		8.8%		8.8%

**Levy Equalization #**

Statewide, school districts receive about 15 percent of their revenue from local voter-approved property tax levies. Since some school districts have lower property values than others, local school district levy rates vary. The lower the property values, the higher the levy rates tend to be. The state "equalizes" local funds by providing matching state funds for school districts with higher than average levy rates.

The state local effort assistance (levy equalization) formula is changed beginning in calendar year 2004. Currently, districts are eligible for levy equalization if the district's levy rate to raise a 12 percent levy exceeds the state average for a 12 percent levy. The current levy equalization formula is retained for districts in the top quartile of rates to raise a 12 percent levy. These school districts tend to have lower total assessed valuations. All other districts eligible for local effort assistance will receive equalization up to the statewide average for a 10 percent levy.

*Program 032***SPI - Elementary & Secondary School Improvement****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>			201,737	201,737
<b>Total Maintenance Level</b>			46,198	46,198
Difference			(155,539)	(155,539)
Percent Change from Current Biennium			(77.1)%	(77.1)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base			(46,198)	(46,198)
Other Grants			46,198	46,198
<b>Subtotal</b>				
<b>Total Proposed Budget</b>			46,198	46,198
Difference			(155,539)	(155,539)
Percent Change from Current Biennium			(77.1)%	(77.1)%

**Other Grants**

The federal government provides a wide array of grants to school districts to meet special needs, including safe and drug-free schools, education technology funds, and grants for professional development for math and science teachers, among others. (General Fund-Federal)

Program 035

**SPI - Institutional Education****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		37,731	8,548	46,279
<b>Total Maintenance Level</b>		37,441		37,441
Difference		(290)	(8,548)	(8,838)
Percent Change from Current Biennium		(0.8)%	(100.0)%	(19.1)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(37,441)		(37,441)
Institutional Education		37,441		37,441
Pension Rate Changes #		(290)		(290)
<b>Subtotal</b>		(290)		(290)
<b>Total Proposed Budget</b>		37,151		37,151
Difference		(580)	(8,548)	(9,128)
Percent Change from Current Biennium		(1.5)%	(100.0)%	(19.7)%

**Institutional Education**

The state provides educational and necessary support services to school-aged children who reside in institutions such as county detention centers, group homes, institutions for neglected and delinquent children, residential rehabilitation centers, and state correctional facilities.

**Pension Rate Changes #**

State K-12 funding formulas include staffing assumptions for salaries and benefits. The pension rates are decreased based on a projected unit credit actuarial method. This results in reduced pension costs for school districts, and savings in state pension allocations.

Program 045

**SPI - Education of Highly Capable Students****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		12,699		12,699
<b>Total Maintenance Level</b>		13,286		13,286
Difference		587		587
Percent Change from Current Biennium		4.6%		4.6%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(13,286)		(13,286)
Highly Capable Student Education		11,309		11,309
Pension Rate Changes #		(81)		(81)
<b>Subtotal</b>		(2,058)		(2,058)
<b>Total Proposed Budget</b>		11,228		11,228
Difference		(1,471)		(1,471)
Percent Change from Current Biennium		(11.6)%		(11.6)%

**Highly Capable Student Education**

The state provides funds to school districts to offer approved programs of enriched instruction for highly capable (or "gifted") students. Districts use a variety of methods to select and serve their highly capable students.

Beginning in the 2003-04 school year, school districts with an approved highly capable program will receive funding for up to 1.75 percent of their enrollment, instead of the current 2 percent limit. Grants to Fort Worden and Odyssey of the Mind to provide highly capable programs beyond the school district services are eliminated.

**Pension Rate Changes #**

State K-12 funding formulas include staffing assumptions for salaries and benefits. The pension rates are decreased based on a projected unit credit actuarial method. This results in reduced pension costs for school districts, and savings in state pension allocations.

Program 050

**SPI - Student Achievement Program****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>			391,149	391,149
<b>Total Maintenance Level</b>			642,613	642,613
Difference			251,464	251,464
Percent Change from Current Biennium			64.3%	64.3%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base			(642,613)	(642,613)
Student Achievement Fund #			421,876	421,876
<b>Subtotal</b>			(220,737)	(220,737)
<b>Total Proposed Budget</b>			421,876	421,876
Difference			30,727	30,727
Percent Change from Current Biennium			7.9%	7.9%

**Student Achievement Fund #**

The Student Achievement Fund was authorized by voter approval of Initiative 728 in 2000. Districts use funds to lower class sizes by hiring more teachers and making necessary capital improvements, create extended learning opportunities for students, provide professional development for educators, and provide early childhood programs.

Under Initiative 728, Student Achievement Funds to school districts are scheduled to increase in the 2004-05 school year through changes to property tax and lottery transfers into the account. These changes would increase the school district allocation from \$220 per FTE student to \$450 per FTE student. Legislation is proposed to lower the level of property tax transfers into the Student Achievement Fund in the 2004-05 school year, while maintaining the school district allocation at \$220 per FTE student. (Student Achievement Fund-State)

Program 055

**SPI - Education Reform****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	37.7	67,022	61,071	128,093
<b>Total Maintenance Level</b>	42.7	75,021	128,902	203,923
Difference	5.0	7,999	67,831	75,830
Percent Change from Current Biennium	13.3%	11.9%	111.1%	59.2%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(42.7)	(75,021)	(128,902)	(203,923)
A+ Commission	3.0	620		620
Assessment and Research #	21.5	29,406	15,455	44,861
OSPI High Academic Standards	1.7	680		680
Teacher Professional Development	1.9		87,901	87,901
Other Grants	1.5		25,546	25,546
Focused Assistance Schools	2.0	7,492		7,492
Information Technology	4.0	4,170		4,170
Leadership Internships/Assistance		626		626
Math Helping Corps	1.5	3,528		3,528
Meals for Kids		5,000		5,000
National Board Certification Bonus		4,061		4,061
Paraprofessional Training				
Readiness to Learn				
Reading Corps	1.5	7,426		7,426
Summer Institutes	1.5		960	960
Teacher Mentor Assistance	.6	4,696		4,696
Employee-related and Internal Service Cost				
Adjustments		83		83
Staff Reductions and Operating Efficiencies	(3.0)	(190)		(190)
<b>Subtotal</b>	<b>(5.0)</b>	<b>(7,423)</b>	<b>960</b>	<b>(6,463)</b>
<b>Total Proposed Budget</b>	<b>37.7</b>	<b>67,598</b>	<b>129,862</b>	<b>197,460</b>
Difference		576	68,791	69,367
Percent Change from Current Biennium	0.0%	0.9%	112.6%	54.2%

**A+ Commission**

In 1999, the Academic Achievement and Accountability Commission (A+ Commission) was created to provide oversight of the state's K-12 educational accountability system. It is charged with adopting and revising performance improvement goals; identifying performance standards for newly created assessments; adopting criteria to identify successful schools and school districts, as well as those in need of assistance and state intervention measures; identifying performance incentive systems; annually reviewing the assessment and reporting system; and annually reporting to the Legislature.



### **Assessment and Research #**

This division of the Office of the Superintendent of Public Instruction (OSPI) provides schools with tests to measure student achievement of basic academic requirements and more advanced skills. The division develops or selects and administers all state assessments, and reports achievement data for individual students, schools, districts, and the overall state. This information helps districts and schools refine instructional practices and focus curriculum. Tests administered statewide include the Washington Assessment of Student Learning (WASL), the Iowa Tests of Basic Skills (ITBS), and the Iowa Tests of Educational Development (ITED), and an alternative assessment for special education students. (General Fund-State, General Fund-Federal)

The WASL assessment budget is reduced to reflect changes to assessment formats for additional subject areas and increased for the implementation of a re-take system. OSPI will create or contract for a set of tests linked to state standards in arts, health, fitness, and social studies, that can be administered by teachers in the classroom. These tests will be made available to local school districts on a voluntary basis. For districts that choose to utilize the state assessment, the tests will be administered, scored, and reported at the local level. In addition, a re-take system will be piloted during the 2003-05 Biennium in preparation for the 2007-08 Certificate of Mastery graduation requirement.

### **OSPI High Academic Standards**

Reading, math, and science specialists assist districts in improving curriculum, aligning curriculum to academic standards, and developing assessment measures.

The administrative budget of the Superintendent of Public Instruction is reduced by 5 percent through administrative efficiencies and reductions at the state office.

### **Teacher Professional Development**

The federal Elementary and Secondary Education Act (ESEA) requires that all teachers be 'highly qualified' by state standards by the end of the 2005-06 school year. In addition, all paraprofessionals in Title I programs must meet minimum education requirements or demonstrate their skills and knowledge no later than January 2006. Federal Title II funds can be used for a variety of professional development, recruitment, and retention strategies designed to meet the federal requirements. (General Fund-Federal)

### **Other Grants**

The federal government and other non-governmental sources provide a wide array of grants to school districts to meet special needs. The federal grants include safe and drug-free schools, education technology funds, and grants for professional development for math and science teachers, among others. (General Fund-Federal, Center for Improvement of Student Learning-Nonappropriated)

### **Focused Assistance Schools**

This program combines federal Title I School Improvement funds and state Focused Assistance funds in a collaborative effort with participating districts, schools, and communities to develop long-term capacity for improving student learning. Low-performing schools are eligible to apply for grants and assistance. Each is assigned a facilitator to work with a school improvement team consisting of district and school staff, parents, and community members to develop and implement a school improvement plan and a two-year performance agreement based on both an educational audit and input from staff, parents, and the community.

The OSPI will provide focused assistance to 50 more schools during the 2003-05 Biennium with an increase of \$4 million, more than doubling the current program capacity.

### **Information Technology**

School districts make a substantial investment in educational technology, exceeding \$100 million annually. The Education Technology Support Program at OSPI assists districts in making cost-effective investment decisions and maximizing those expenditures. The program also assists school districts in acquiring over \$25 million in technology funding.

### **Leadership Internships/Assistance**

The principal internship and assistance programs are administered by the Association of Washington School Principals. The assistance program assigns a mentor to selected individuals. Participants must agree to seek employment in Washington and to participate in educational improvement programs. The assistance program is continued in the 2003-05 Biennium.

The internship program provides substitutes for teachers who are serving in administrative roles during their internship for school administrator preparation programs. State funding for the principal and superintendent internship program is eliminated in the 2003-05 Biennium.

### **Math Helping Corps**

The Math Helping Corps program is a staff development model that places a math educator in a school for two years to assist educators in becoming better at teaching mathematics based on state standards. Math Helping Corps staff work with two schools each to model lessons and coach teachers, provide in-service training in math, work with principals on leadership issues, and assist staff on grade level and cross-grade level planning.

### **Meals for Kids**

Offering a breakfast program in schools is one critical component to ensuring that students are ready to learn each day. Many studies document that breakfast makes a positive impact on learning and attendance and in reducing tardiness. These funds assist districts in maintaining breakfast programs that otherwise may not be provided.

### **National Board Certification Bonus**

The certification process by the National Board for Professional Teaching Standards (NBPTS) requires an educator to demonstrate teaching practices that meet high and rigorous standards. Washington State supports this effort by providing bonuses for over 400 national board certified teachers.

The current, four annual bonuses for National Board Certification, will be extended to cover each year the teacher holds a valid National Board Certificate, generally ten years.

### **Paraprofessional Training**

This program offers paraprofessional development at beginning and advanced levels that are developed around the Washington State Paraeducator Project Core Competencies. Funds are disbursed to Educational Service Districts, which create professional development plans that are specific to the needs of their regions.

State funding for this activity is eliminated.

### **Readiness to Learn**

Readiness to Learn is a competitive grant program that funds collaborations among schools and community agencies to link education and human service providers together in an effort to ensure that all children start each school day prepared to learn. It is designed to help children be successful at school; safe in their neighborhoods and at school; healthy and free from tobacco, alcohol, and other drugs; and able to access work and training. There are over 20 consortia that serve approximately 300 schools.

This activity is eliminated.

### **Reading Corps**

The Washington Reading Corps (WRC) assists struggling readers in kindergarten through sixth grade in schools performing lowest in reading assessments. The state grants serve nearly 170 schools and leverage about \$4.8 million in federal funds annually from the Corporation for National Service that provides 350 AmeriCorps and Volunteers in Service To America (VISTA) positions to support WRC schools. AmeriCorps members primarily perform direct service tutoring, and VISTA members recruit volunteers, partner with middle and high schools to facilitate peer and cross-age tutoring programs, and work with businesses to provide in-kind donations.

**Summer Institutes**

The Summer Institutes are a series of three-day regional meetings focused on school improvement planning, and the tools, resources, and staff necessary to improve student achievement. These intensive staff development and team planning opportunities are currently offered at a minimal fee. Educational Service District staff are available for follow-up and technical assistance.

In the 2003-05 Biennium, state funding for this activity is eliminated. This program will be self-sustaining through program registration fees. (Center for the Improvement of Student Learning Account-Nonappropriated)

**Teacher Mentor Assistance**

The mentoring assistance program aids both beginning teachers and educational staff associates (ESA). Each new educator is assigned a peer mentor, whose responsibilities include modeling effective strategies, giving constructive feedback, and assisting with classroom and curriculum management. The program requires stipends for participants and money for school districts to hire substitutes so teachers may observe other teachers. Districts may use some funds to assist second-year and more experienced teachers who request mentoring, as long as the new teacher assistance is not negatively impacted. Mentor training, in the form of four-day mentor academies and two-day follow-up sessions, are also offered.

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Program 060

**SPI - Transitional Bilingual Instruction****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		87,501	20,280	107,781
<b>Total Maintenance Level</b>		102,496	46,309	148,805
Difference		14,995	26,029	41,024
Percent Change from Current Biennium		17.1%	128.3%	38.1%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(102,496)	(46,309)	(148,805)
Bilingual Education		102,496	46,309	148,805
Pension Rate Changes #		(920)		(920)
<b>Subtotal</b>		(920)		(920)
<b>Total Proposed Budget</b>		101,576	46,309	147,885
Difference		14,075	26,029	40,104
Percent Change from Current Biennium		16.1%	128.3%	37.2%

**Bilingual Education**

State and federal laws require public schools to provide instructional assistance to students whose first language is not English. The purpose of bilingual, or language acquisition, education is to ensure that students receive grade-level instruction while they develop the English language skills to study at grade level in a regular classroom. In addition to language acquisition funding for limited English students, the federal government also provides funding for migrant education programs, which are created to meet the special educational needs of migrant children, provide those students with an opportunity to meet high academic standards, facilitate intra- and interstate coordination of migrant services, and encourage family literacy. (General Fund-State, General Fund-Federal)

**Pension Rate Changes #**

State K-12 funding formulas include staffing assumptions for salaries and benefits. The pension rates are decreased based on a projected unit credit actuarial method. This results in reduced pension costs for school districts, and savings in state pension allocations.

Program 061

**SPI - Learning Assistance Program****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		135,956	130,631	266,587
<b>Total Maintenance Level</b>		128,296	307,178	435,474
Difference		(7,660)	176,547	168,887
Percent Change from Current Biennium		(5.6)%	135.1%	63.4%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(128,296)	(307,178)	(435,474)
Learning Assistance #		151,220	307,178	458,398
Pension Rate Changes #		(698)		(698)
<b>Subtotal</b>		22,226		22,226
<b>Total Proposed Budget</b>		150,522	307,178	457,700
Difference		14,566	176,547	191,113
Percent Change from Current Biennium		10.7%	135.1%	71.7%

**Learning Assistance #**

The State Learning Assistance Program grants state funds to school districts to provide instructional help to children whose academic performance is below average. Students receive assistance through one-on-one or small-group instruction, in addition to regular classes. Federal Title I funding from the Elementary and Secondary Education Act (ESEA) is the largest federal program supporting K-12 educational services. Title I funds are provided based on a complicated funding formula, which targets funding to schools and districts with higher percentages of students in poverty. (General Fund-State, General Fund-Federal)

The current Learning Assistance Program provides funding to school districts based on the percentage of students who score in the lowest quartile on nationally normed tests, with a small percentage of funding allocated to districts with above average concentrations of poverty. Beginning in the 2003-04 school year, the Learning Assistance Program will be allocated based on the district's percentage of students eligible for free and reduced price lunch, with additional funding for districts with above average concentrations of poverty. This formula change raises the school districts' number of eligible students, increasing the state funding for the program by \$22.9 million.

**Pension Rate Changes #**

State K-12 funding formulas include staffing assumptions for salaries and benefits. The pension rates are decreased based on a projected unit credit actuarial method. This results in reduced pension costs for school districts, and savings in state pension allocations.

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 074

### SPI - Education Enhancement

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		23,204		23,204
<b>Total Maintenance Level</b>				
Difference		(23,204)		(23,204)
Percent Change from Current Biennium		(100.0)%		(100.0)%
<b>Total Proposed Budget</b>				
Difference		(23,204)		(23,204)
Percent Change from Current Biennium		(100.0)%		(100.0)%

Note: The Education Enhancement program was eliminated in the 2002 supplemental operating budget.

Program 076

**SPI - State Flexible Education Funds****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		20,612		20,612
<b>Total Maintenance Level</b>		41,345		41,345
Difference		20,733		20,733
Percent Change from Current Biennium		100.6%		100.6%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(41,345)		(41,345)
State Flexible Education Funds				
<b>Subtotal</b>		(41,345)		(41,345)
<b>Total Proposed Budget</b>				
Difference		(20,612)		(20,612)
Percent Change from Current Biennium		(100.0)%		(100.0)%

**State Flexible Education Funds**

For the 2002-03 school year, the state allocated flexible education funds to school districts to supplement basic education. The funds were provided at a rate of \$21.55 per student, based on school districts' prior year FTE student enrollment. Examples of areas in which these funds could be used include paraprofessional training, mentor/beginning teacher assistance, principal assessment and mentorships, superintendent and principal internships, school safety, truancy, and complex needs.

This activity has been eliminated.

*Program 078***SPI - Better Schools Program****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		8,996		8,996
<b>Total Maintenance Level</b>				
Difference		(8,996)		(8,996)
Percent Change from Current Biennium		(100.0)%		(100.0)%
<b>Total Proposed Budget</b>				
Difference		(8,996)		(8,996)
Percent Change from Current Biennium		(100.0)%		(100.0)%

Note: The Better Schools Program was merged into the General Apportionment program in the 2001-03 Biennium operating budget.



Program 714

**SPI - Compensation Adjustments****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		380,813	191	381,004
<b>Total Maintenance Level</b>		212,141	242	212,383
Difference		(168,672)	51	(168,621)
Percent Change from Current Biennium		(44.3)%	26.7%	(44.3)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(212,141)	(242)	(212,383)
Cost of Living Increases #				
Health Benefit Increases		143,733	163	143,896
<b>Subtotal</b>		(68,408)	(79)	(68,487)
<b>Total Proposed Budget</b>		143,733	163	143,896
Difference		(237,080)	(28)	(237,108)
Percent Change from Current Biennium		(62.3)%	(14.7)%	(62.2)%

**Cost of Living Increases #**

Initiative 732, approved by voters in 2000, requires an annual cost-of-living increase for school employees based on the Seattle Consumer Price Index (CPI) for the prior calendar year. These cost-of-living increases are estimated at 2.1 percent for the 2003-04 school year and 2.4 percent for the 2004-05 school year. (General Fund-State, General Fund-Federal)

Legislation is proposed to remove the annual cost-of-living requirement for the 2003-05 Biennium.

**Health Benefit Increases**

Employee health benefit costs are expected to increase by 13 percent in Fiscal Year 2004 and 20 percent in Fiscal Year 2005. The K-12 allocation for monthly employer contribution rates is increased from \$457.07 in the 2002-03 school year to \$496.69 in the 2003-04 school year and \$584.69 in the 2004-05 school year, consistent with the increases in state employer contribution rates per employee. At these rates, the state employer contribution is 80 percent of the total premium rate in both fiscal years. The state employer rates assume an increase in state employee co-payments from \$10 to \$15 for office visits. (General Fund-State, General Fund-Federal)



Agency 343

## Higher Education Coordinating Board

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	74.0	264,344	15,807	280,151
<b>Total Maintenance Level</b>	78.5	272,123	17,357	289,480
Difference	4.5	7,779	1,550	9,329
Percent Change from Current Biennium	6.1%	2.9%	9.8%	3.3%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(78.5)	(272,123)	(17,357)	(289,480)
Reduction	(.4)	(232)		(232)
High Demand Enrollments		20,160		20,160
Coordination and Policy for Higher Education	28.3	4,562	635	5,197
Employment/Education Assistance to Displaced Homemakers	1.3	1,079		1,079
Interstate Exchange Programs for Higher Education		532		532
Prepaid Tuition and Savings Plans	11.5		5,336	5,336
Student Financial Aid Programs	37.5	297,977	11,379	309,356
Employee-related and Internal Service Cost Adjustments		17	3	20
<b>Subtotal</b>	(.3)	51,972	(4)	51,968
<b>Total Proposed Budget</b>	78.2	324,095	17,353	341,448
Difference	4.2	59,751	1,546	61,297
Percent Change from Current Biennium	5.7%	22.6%	9.8%	21.9%

#### Reduction

The Board will reduce its coordination and policy program costs by 5 percent.

#### High Demand Enrollments

The Board will manage a competitive process for awarding high demand student FTEs. Proposals from public and private colleges and universities are eligible for funding. Five hundred and fifty student FTE years are budgeted for the first fiscal year and 1000 student FTE's for the second fiscal year. Each FTE year is budgeted at \$9,600. The Board shall make it a priority to fund proposals that prepare students for careers in health services and veterinary medicine; and proposals that are closely aligned with the needs of the regional economy.

#### Coordination and Policy for Higher Education

The Higher Education Coordinating Board develops and coordinates higher education policy along with the research and regional universities (University of Washington, Washington State University, Eastern Washington University, Central Washington University, The Evergreen State College, and Western Washington University). This activity includes producing a statewide strategic master plan; reviewing capital and operating budget requests; approving degree programs; authorizing degree-granting institutions; administering state financial aid programs; developing minimum admissions standards; and researching and writing reports on policy issues for the public, the legislature and the governor. (General Fund-State, General Fund-Federal)

## HIGHER EDUCATION

### **Employment/Education Assistance to Displaced Homemakers**

The Board contracts with local service agencies to provide vocational counseling and training, job placement, health and legal counseling to homemakers seeking to re-enter the workforce because of divorce, a spouse's death, or other causes.

### **Interstate Exchange Programs for Higher Education**

Washington is a member of the Western Interstate Commission for Higher Education. Through this program Washington residents can obtain out-of-state tuition support to pursue optometric or osteopathic medicine degrees in fifteen member states. In addition, the Commission uses dues collected from its member states to fund studies of higher education programs and policy issues.

### **Prepaid Tuition and Savings Plans**

The Guaranteed Education Tuition program (GET) allows families to purchase tuition units now and use them later. The program invests these funds, and the purchaser is guaranteed a return that will cover tuition at a future date at any eligible public or private accredited educational institution in the nation. The new College Savings program will allow families to choose among investment options for future tuition costs, but their investments will not be guaranteed. (Advanced College Tuition Payment Program Account-Nonappropriated)

### **Student Financial Aid Programs**

The Board administers a number of state financial aid programs, including direct grants and scholarships, reimbursement to qualifying organizations that employ eligible students, and scholarships or loan repayments tied to a service requirement in a qualified teaching or health profession position. (General Fund-State, General Fund-Federal and various other funds)

The State Need Grant program is increased by \$32.1 million in General Fund-State funds to allow these grants to low-income students to keep pace with tuition increases state colleges and universities may adopt under tuition setting authority granted in the operating budget.

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

Agency 360

## University of Washington

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	18,017.2	680,044	2,245,866	2,925,910
<b>Total Maintenance Level</b>	19,682.7	683,594	3,001,062	3,684,656
Difference	1,665.5	3,550	755,196	758,746
Percent Change from Current Biennium	9.2%	0.5%	33.6%	25.9%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(19,682.7)	(683,594)	(3,001,062)	(3,684,656)
Agency Management/Administrative Support				
Services	1,024.7	44,698	116,021	160,719
Instruction	5,245.4	386,416	441,549	827,965
Library Services	517.5	33,523	31,740	65,263
Plant Operations	978.1	61,460	85,454	146,914
Primary Support	760.8	48,423	70,385	118,808
Public Service	80.8	1,862	8,874	10,736
Research	471.6	3,724	97,194	100,918
Sponsored Research	6,730.0		1,312,270	1,312,270
Student Services	384.9	16,762	25,124	41,886
Hospital Operation	3,430.8	29,832	787,962	817,794
Employee-related and Internal Service Cost				
Adjustments		8,635	116	8,751
<b>Subtotal</b>	(58.5)	(48,259)	(24,373)	(72,632)
<b>Total Proposed Budget</b>	19,624.2	635,335	2,976,689	3,612,024
Difference	1,607.0	(44,709)	730,823	686,114
Percent Change from Current Biennium	8.9%	(6.6)%	32.5%	23.4%

#### Agency Management/Administrative Support Services

The administration and management of the university includes governance, executive management, fiscal operations, information services, human resources services, planning, and community relations and development. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

#### Instruction

The Instruction Program provides undergraduate and graduate students with the knowledge they need to acquire a degree, prepare for a career, and continue learning after they leave the university. (General Fund-State, various other accounts)

Funding is increased by \$4.6 million for the recruitment and retention of faculty and staff.

Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

## HIGHER EDUCATION

### Library Services

Libraries support the instructional, research, and public service functions of the University by providing information in a variety of media. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### Plant Operations

Plant Operations includes functions that preserve and maintain the physical assets of the campus facilities as well as providing a healthy and secure environment for students, faculty, staff, and visitors. Activities included in this category are utilities, facility maintenance and repair, custodial services, grounds maintenance, university police, environmental health and safety, and plant administration. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### Primary Support

These administrative functions directly support the instructional, research, and public service activities of the University. Primary support activities include academic computing services, ancillary support services, and academic administration of the University's various schools and colleges. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### Public Service

Through public service activities, the non-instructional services of students, faculty, and staff are available to the citizens of the state. These include lectures, concerts, conferences, radio programming, the Mathematics, Engineering and Science Achievement Program, and the Center for International Trade in Forest Products. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### Research

State and locally funded research provides opportunities for faculty and students to maintain and enhance their scholarship and to advance knowledge on many social, environmental, and health care issues of concern to the citizens of the state. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### Sponsored Research

This program permits public and private organizations to purchase or sponsor research, instruction, or consultative services from the University. These activities are an essential component of the University's graduate education program. (Institutions of Higher Education-Grants and Contracts Account-Nonappropriated)

**Student Services**

Student services include admissions, registration, student records maintenance, academic and career advising, student organizations, and other related services. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

**Hospital Operation**

The University operates two hospitals: the University of Washington Medical Center (owned by the University), and Harborview Medical Center (owned by King County, but managed by the University). These two hospitals provide patient care and clinical facilities for health sciences training and research. They also train future health care professionals and upgrade skills of current practitioners. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

Agency 365

## Washington State University

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	5,511.7	395,880	422,155	818,035
<b>Total Maintenance Level</b>	5,585.8	393,266	482,737	876,003
Difference	74.1	(2,614)	60,582	57,968
Percent Change from Current Biennium	1.3%	(0.7)%	14.4%	7.1%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(5,585.8)	(393,266)	(482,737)	(876,003)
Research	1,742.5	59,428	199,688	259,116
Instruction and Research	3,236.5	254,623	232,298	486,921
Community Outreach	575.5	48,396	46,858	95,254
Employee-related and Internal Service Cost				
Adjustments		7,172		7,172
Self-Insurance Premiums		45		45
<b>Subtotal</b>	(31.3)	(23,602)	(3,893)	(27,495)
<b>Total Proposed Budget</b>	5,554.5	369,664	478,844	848,508
Difference	42.9	(26,216)	56,689	30,473
Percent Change from Current Biennium	0.8%	(6.6)%	13.4%	3.7%

## Research

Washington State University provides research programs in close relationship with its instruction and public service programs. The Agricultural Research Center provides scientific analysis and practical solutions to problems affecting farmers, processors, merchandisers, exporters, and consumers of agricultural products. Grants and contracts provided by federal and state agencies and private sources allow the university to conduct vital research and training to benefit the granting agency and the people of Washington. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

## Instruction and Research

The University provides undergraduate and graduate education in the liberal arts and natural sciences, as well as in agriculture, home economics, engineering, business, health sciences, veterinary medicine, and education. (General Fund-State, various other accounts)

An additional \$2.9 million is provided for the recruitment and retention of faculty and staff.

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.



### **Community Outreach**

As a land-grant institution, the University provides services to the general public, such as lectures, concerts, and conferences. Two major programs, the Cooperative Extension program and the Small Business Development Center, provide technical and other assistance to small businesses, individuals, and communities. KWSU radio and television provide educational programming throughout eastern and central Washington. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

Agency 370

## Eastern Washington University

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,153.4	89,676	73,488	163,164
<b>Total Maintenance Level</b>	1,154.4	88,281	73,969	162,250
Difference	1.0	(1,395)	481	(914)
Percent Change from Current Biennium	0.1%	(1.6)%	0.7%	(0.6)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,154.4)	(88,281)	(73,969)	(162,250)
Agency Management/Administrative Support				
Services	137.1	7,851	10,355	18,206
Instruction	464.4	54,025	13,925	67,950
Library Services	50.3	2,862	5,012	7,874
Plant Operations	131.1	5,656	12,910	18,566
Primary Support	56.7	3,933	4,302	8,235
Public Service			146	146
Research	6.9	385	87	472
Sponsored Research	173.9		17,778	17,778
Student Services	126.3	5,754	8,973	14,727
Employee-related and Internal Service Cost				
Adjustments		1,262		1,262
Self-Insurance Premiums		616		616
<b>Subtotal</b>	(7.8)	(5,937)	(481)	(6,418)
<b>Total Proposed Budget</b>	1,146.6	82,344	73,488	155,832
Difference	(6.8)	(7,332)		(7,332)
Percent Change from Current Biennium	(0.6)%	(8.2)%	0.0%	(4.5)%

**Agency Management/Administrative Support Services**

The administration and management of Eastern Washington University includes governance, executive management, fiscal operations, information services, human resources services, planning, and community relations and development. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

**Instruction**

The Instruction Program provides undergraduate and graduate students with the knowledge they need to acquire a degree, prepare for a career, and continue learning after they leave the university. (General Fund-State, various other accounts)

The Instruction Program includes an increase of \$751,000 in state funding for the recruitment and retention of faculty and staff. Tuition-setting authority is provided to the governing board of the University to help offset General Fund-State reductions to all activities.

### **Library Services**

This program supports the instructional, research, and public service functions of the University. Library activities include the collection, storage, cataloguing and distribution of published materials; audio-visual and media service; and special materials including law libraries, health sciences libraries, and archives. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### **Plant Operations**

Plant Operations is responsible for the preservation and maintenance of the University's campus facilities. These activities include power plant operations, utilities, building and utilities maintenance, grounds maintenance, and custodial services. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### **Primary Support**

The instructional, research, and public service activities of the University are supported by academic computing services, museums and galleries, specialized instruction and research facilities, and academic administration of the various schools and colleges. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### **Public Service**

The University's public service activities support faculty research at the Spokane Intercollegiate Research and Technology Institute, which fosters public and private scientific investigation and promotes the region's economic development. (Institutions of Higher Education-Operating and Fees Account-Nonappropriated)

### **Research**

State and locally funded research provides opportunities for faculty and students to maintain and enhance their scholarship and to provide knowledge in areas of concern to the citizens of the state. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### **Sponsored Research**

This activity enables public and private organizations to purchase or sponsor research, instruction, or consultative services from the University. Federal, state and local grants are included in this program. (Institutions of Higher Education-Grants and Contracts Account-Nonappropriated)

### **Student Services**

A variety of services support a student's attendance and eventual career placement: student services and activities; student recruitment and registration; financial aid; and student career planning and placement. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

## HIGHER EDUCATION

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

Agency 375

## Central Washington University

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,053.9	86,046	89,577	175,623
<b>Total Maintenance Level</b>	1,119.9	85,096	96,596	181,692
Difference	66.0	(950)	7,019	6,069
Percent Change from Current Biennium	6.3%	(1.1)%	7.8%	3.5%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,119.9)	(85,096)	(96,596)	(181,692)
Agency Management/Administrative Support				
Services	123.2	3,199	15,418	18,617
Instruction	551.4	60,125	18,785	78,910
Library Services	62.6	4,395	2,752	7,147
Plant Operations	123.2	2,686	15,074	17,760
Primary Support	64.6	5,659	2,630	8,289
Research	5.0	291	2,193	2,484
Student Services	88.4	1,205	9,193	10,398
Federal and Non-Federal Research	95.0		30,000	30,000
Employee-related and Internal Service Cost				
Adjustments		1,567		1,567
Self-Insurance Premiums		472		472
<b>Subtotal</b>	(6.5)	(5,497)	(551)	(6,048)
<b>Total Proposed Budget</b>	1,113.4	79,599	96,045	175,644
Difference	59.5	(6,447)	6,468	21
Percent Change from Current Biennium	5.6%	(7.5)%	7.2%	0.0%

#### Agency Management/Administrative Support Services

The administration and management of Central Washington University includes governance, executive management, fiscal operations, general support services, planning, and community relations and development. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

## HIGHER EDUCATION

### Instruction

The University provides undergraduate and graduate students with the knowledge they need to acquire a degree, prepare for a career, and continue learning after they leave the university.

The Instruction Program includes an additional \$624,000 for the recruitment and retention of faculty and staff. (General Fund-State, various other accounts)

Tuition-setting authority is provided to the governing board of the University to help offset the impact of General Fund-State reductions.

### Library Services

This activity supports the instructional, research, and public service functions of the University by providing information in a variety of media. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### Plant Operations

Plant Operations includes functions that preserve and maintain the physical assets of the campus facilities as well as providing a healthy and secure environment for students, faculty, staff, and visitors. Activities included in this category are utilities, facility maintenance and repair, custodial services, grounds maintenance, university police, environmental health and safety, and plant administration. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### Primary Support

This activity supports the instructional, research, and public service activities of the University through the provision of academic computing services, specialized instruction and research facilities, and academic administration of the various schools and colleges. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### Research

State and locally funded research provides opportunities for faculty and students to maintain and enhance their scholarship and to provide knowledge in areas of concern to the citizens of the state. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### Student Services

Student services provided by the university include admissions, registration, student records, academic advising, financial aid, and career counseling. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

**Federal and Non-Federal Research**

This program provides federal and non-federal sponsored research and programs for faculty and students to maintain and enhance their knowledge in areas of concern to the citizens of the state. (Institutions of Higher Education-Grants and Contracts-Nonappropriated)

**Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

Agency 376

**The Evergreen State College****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	632.3	49,780	39,311	89,091
<b>Total Maintenance Level</b>	644.0	49,643	42,948	92,591
Difference	11.7	(137)	3,637	3,500
Percent Change from Current Biennium	1.9%	(0.3)%	9.3%	3.9%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(644.0)	(49,643)	(42,948)	(92,591)
Agency Management/Administrative Support Services	93.8	8,790	2,236	11,026
Instruction	259.0	15,718	23,579	39,297
Library Services	64.6	5,031	2,632	7,663
Plant Operations	65.5	5,497	6,166	11,663
Primary Support	35.8	2,847	570	3,417
Public Services	22.8	2,767	674	3,441
Research	1.0		146	146
Sponsored Research	36.0		4,000	4,000
Student Services	65.5	4,672	2,589	7,261
Employee-related and Internal Service Cost Adjustments		708		708
<b>Subtotal</b>	(.1)	(3,613)	(356)	(3,969)
<b>Total Proposed Budget</b>	643.9	46,030	42,592	88,622
Difference	11.6	(3,750)	3,281	(469)
Percent Change from Current Biennium	1.8%	(7.5)%	8.3%	(0.5)%

**Agency Management/Administrative Support Services**

The administration and management of the college includes governance, executive management, fiscal operations, information services, human resources services, planning, and community relations and development. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the College to help offset additional General Fund-State reductions to all activities.

**Instruction**

The college provides undergraduate and graduate students with the knowledge they need to acquire a degree, prepare for a career, and continue learning after they leave the college. In addition, students are served through evening/weekend and off-campus, community-based programs located in Tacoma and on tribal reservation sites (Makah, Skokomish, Muckelshoot, Port Gamble S'Klallam, and Quinault). (General Fund-State, various other accounts)

An additional \$376,000 in state funding is provided for the recruitment and retention of faculty and staff. Tuition-setting authority is provided to the governing board of the College to help offset the impact of General Fund-State reductions.



### **Library Services**

This program supports the instructional, research, and public service functions of the College by providing information in a variety of formats and learning opportunities for students. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the College to help offset additional General Fund-State reductions to all activities.

### **Plant Operations**

Plant Operations includes functions that preserve and maintain the physical assets of the campus facilities as well as providing a healthy and secure environment for students, faculty, staff, and visitors. Activities included in this category are utilities, facility maintenance and repair, custodial services, grounds maintenance, university police, environmental health and safety, and plant administration. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the College to help offset additional General Fund-State reductions to all activities.

### **Primary Support**

Primary Support includes academic computing services, specialized instruction facilities, and the academic deans and Provost who manage the academic functions of the College. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the College to help offset additional General Fund-State reductions to all activities.

### **Public Services**

This program includes the Washington State Institute for Public Policy, The Labor Education and Research Center, The Longhouse Education and Cultural Center, The Washington Center for Improving the Quality of Undergraduate Education, and The Evergreen Center for Educational Improvement K-12 Center. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the College to help offset additional General Fund-State reductions to all activities.

### **Research**

This program includes research performed by faculty to maintain and enhance their scholarship and provide knowledge in areas of concern to the citizens of the state. (Institutions of Higher Education-Operating Fees Account-Nonappropriated)

### **Sponsored Research**

This program includes research, instruction, or consultation services purchased from the College by private and public organizations. This includes federal, state, local grants, state student financial aid, and educational opportunity grants. (Institutions of Higher Education-Grants and Contracts Account-Nonappropriated)

### **Student Services**

Student services include student recruitment, admissions, registration, financial aid, and career planning and placement. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the College to help offset additional General Fund-State reductions to all activities.

## HIGHER EDUCATION

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

Agency 377

## Spokane Intercollegiate Research and Technology Institute

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	19.1	2,941	1,327	4,268
<b>Total Maintenance Level</b>	18.1	2,851	88	2,939
Difference	(1.0)	(90)	(1,239)	(1,329)
Percent Change from Current Biennium	(5.2)%	(3.1)%	(93.4)%	(31.1)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(18.1)	(2,851)	(88)	(2,939)
Commercializing Technology	18.1	2,814	116	2,930
Employee-related and Internal Service Cost Adjustments		17		17
<b>Subtotal</b>		(20)	28	8
<b>Total Proposed Budget</b>	18.1	2,831	116	2,947
Difference	(1.0)	(110)	(1,211)	(1,321)
Percent Change from Current Biennium	(5.2)%	(3.7)%	(91.3)%	(31.0)%

#### Commercializing Technology

The Institute helps companies bring their new technologies to market and attract public and private sector funding. The services provided by the Institute include technology assessment, marketing services and research, business development, and financial analysis. (General Fund-State, Institutions of Higher Education-Dedicated Local Account-Nonappropriated)

#### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

## HIGHER EDUCATION

Agency 380

### Western Washington University

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	1,562.9	118,025	117,770	235,795
<b>Total Maintenance Level</b>	1,604.8	118,413	140,221	258,634
Difference	41.9	388	22,451	22,839
Percent Change from Current Biennium	2.7%	0.3%	19.1%	9.7%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(1,604.8)	(118,413)	(140,221)	(258,634)
Agency Management/Administrative Support Services	202.0	14,218	16,105	30,323
Instruction	783.3	66,442	55,092	121,534
Library Services	95.3	5,717	7,810	13,527
Plant Operations	144.3	9,216	12,274	21,490
Primary Support	47.4	4,477	2,382	6,859
Research	8.3	591	614	1,205
Sponsored Research	128.4		31,200	31,200
Student Services	188.9	7,334	13,795	21,129
Employee-related and Internal Service Cost Adjustments		1,790		1,790
<b>Subtotal</b>	(7.1)	(8,628)	(949)	(9,577)
<b>Total Proposed Budget</b>	1,597.7	109,785	139,272	249,057
Difference	34.8	(8,240)	21,502	13,262
Percent Change from Current Biennium	2.2%	(7.0)%	18.3%	5.6%

#### Agency Management/Administrative Support Services

The administration and management of Western Washington University includes governance, executive management, fiscal operations, information services, human resources services, planning, and community relations and development. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### **Instruction**

The University provides undergraduate and graduate students with the knowledge they need to acquire a degree, prepare for a career, and continue learning after they leave the university. The University's instructional organization includes the College of Arts and Sciences, the College of Fine and Performing Arts, the Woodring College of Education, the College of Business and Economics, the Huxley College of Environmental Studies, Fairhaven College, and the Graduate School. In addition, extended day and off-campus programs are offered through the Extended Education and Summer Program office. (General Fund-State, various other accounts)

The Instruction Program includes an increase of \$751,000 for the recruitment and retention of faculty and staff.

Tuition-setting authority is provided to the governing board of the University to help offset the impact of General Fund-State reductions.

### **Library Services**

The University maintains two libraries that support the instructional, research, and public service functions by providing information in a variety of media. In addition to Wilson Library and the Music Library, this activity includes Academic Technology; the Archives and Records Center; and the inter-institutional Cooperative Library Project, which links library collections and services of the six public baccalaureate institutions. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### **Plant Operations**

Plant Operations includes functions that preserve and maintain the physical assets of the campus facilities as well as providing a healthy and secure environment for students, faculty, staff, and visitors. Activities included in this category are utilities, facility maintenance and repair, custodial services, grounds maintenance, university police, environmental health and safety, and plant administration. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### **Primary Support**

Primary Support manages the University's instructional, research, and public service activities, including: administrative support to the colleges; academic computing services including student computer laboratories; and the operation of specialized instruction and research facilities such as galleries and auditoriums. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### **Research**

The University provides state and locally funded research opportunities for faculty and students to maintain and enhance their scholarship and to provide knowledge in areas of concern to the citizens of the state. Specific areas of research include: Canadian-American Studies, the Institute of Watershed Studies, the Water Research Laboratory, the Institute of Environmental Toxicology and Chemistry, and the University's Instrument Center, which operates scientific equipment used by several academic disciplines. Funding for this activity includes summer research grants awarded to faculty. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

## HIGHER EDUCATION

### **Sponsored Research**

Public and private organizations can purchase or sponsor research, instruction, or laboratory instrumentation from the University. This activity includes grants from federal, state, and local agencies, including student financial aid and educational opportunity grants. (Institutions of Higher Education-Grants and Contracts Account-Nonappropriated)

### **Student Services**

Student Services includes admissions, registration, student records, academic advising, financial aid, career services, multicultural services, disabled student services, health and counseling services, campus recreation programs, intercollegiate athletics, and the administration of Academic Support Services and Student Affairs. (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the governing board of the University to help offset additional General Fund-State reductions to all activities.

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

Agency 699

## Community and Technical College System

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	13,966.4	1,050,517	708,764	1,759,281
<b>Total Maintenance Level</b>	14,035.0	1,076,725	838,580	1,915,305
Difference	68.6	26,208	129,816	156,024
Percent Change from Current Biennium	0.5%	2.5%	18.3%	8.9%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(14,035.0)	(1,076,725)	(838,580)	(1,915,305)
Community Services	3,126.0		487,191	487,191
Instructional Services	8,321.5	733,792	228,204	961,996
Primary Support	2,480.5	267,482	117,132	384,614
Employee-related and Internal Service Cost				
Adjustments		16,946		16,946
Self-Insurance Premiums		2,096		2,096
<b>Subtotal</b>	(107.0)	(56,409)	(6,053)	(62,462)
<b>Total Proposed Budget</b>	13,928.0	1,020,316	832,527	1,852,843
Difference	(38.4)	(30,201)	123,763	93,562
Percent Change from Current Biennium	(0.3)%	(2.9)%	17.5%	5.3%

### Community Services

Community and technical colleges provide self-supporting educational programs through student or contract funding. Student-funded classes are non-credit and include courses such as foreign language for travelers and microcomputer applications. Contract-funded courses are paid by employers or social service agencies for the benefit of their employees or clients. Examples of contract-funded courses include: the Running Start program for high school students; tuition and training for WorkFirst clients; inmate literacy and skills programs; instruction for international student organizations; and tailored job and skills training for local businesses. Federal student financial aid, such as Pell grants, Supplemental Education Opportunity Grants federal work study, and Perkins vocational grants, is also included in this activity. (Institutions of Higher Education-Grants and Contracts-nonappropriated, Institutions of Higher Education-Dedicated Local Account-Nonappropriated)

## HIGHER EDUCATION

### Instructional Services

The Community and Technical College System provides academic, vocational, and basic skills programs for the first two years of baccalaureate instruction and workforce training certificates and degrees at 500 sites throughout the state. The diverse needs of recent high school graduates, placebound students, students with families and full-time jobs, immigrants, and new citizens are met in three broad categories: courses for students who intend to transfer to a four year college or university, vocational/workforce education courses, and apprenticeships. (General Fund-State, various other accounts)

The Instruction Program includes an increase of \$5 million General Fund-State for compensation increases for part-time faculty.

Tuition-setting authority is provided to the State Board for Community and Technical Colleges to help offset the impact of General Fund-State reductions.

### Primary Support

Primary Support provides administrative services in the following areas: Institutional Support (fiscal operations, data processing, personnel matters, and community relations and development); Plant Operation and Maintenance (utilities, maintenance, custodial, and grounds services); and Special Programs (administration of the State Board and federal grants for adult education and distance learning). (General Fund-State, various other accounts)

State funding for all non-instructional activities is reduced by 2.5 percent to reflect efficiencies and staff reductions. Tuition-setting authority is provided to the State Board for Community and Technical Colleges to help offset additional General Fund-State reductions to all activities.

### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### Self-Insurance Premiums

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.



Agency 351

**State School For The Blind****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	80.0	9,257	1,254	10,511
<b>Total Maintenance Level</b>	81.5	9,571	1,335	10,906
Difference	1.5	314	81	395
Percent Change from Current Biennium	1.9%	3.4%	6.5%	3.8%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(81.5)	(9,571)	(1,335)	(10,906)
Day Student Transportation		150		150
On-Campus 24-Hour Educational Program	28.5	3,123	88	3,211
Outreach Services to Districts	9.0	1,003	809	1,812
Residential	19.0	2,134		2,134
School Operations	17.8	2,096		2,096
Statewide Resource Services	4.0	476	438	914
Weekend Transportation		90		90
Employee-related and Internal Service Cost				
Adjustments		184		184
Staff Reductions and Operating Efficiencies	(2.4)	(84)		(84)
<b>Subtotal</b>	(5.6)	(399)		(399)
<b>Total Proposed Budget</b>	76.0	9,172	1,335	10,507
Difference	(4.1)	(85)	81	(4)
Percent Change from Current Biennium	(5.1)%	(0.9)%	6.5%	(0.0)%

**Day Student Transportation**

Transportation of students living at home in the Vancouver area is a contracted service with Educational Service District #112.

**On-Campus 24-Hour Educational Program**

As required by both state and federal law, the on-campus educational program in Vancouver offers short-term, 24-hour educational services to blind children, ages kindergarten to 21 years. In addition to academic instruction, students are taught necessary skills to achieve independence and successful transition into the community. The school has a two-year waiting list for admission. It also serves as an evaluation center for blind children throughout Washington. (General Fund-State, General Fund-Private/Local)

This activity includes an \$8,000 increase for merit system increments.

## EDUCATION - OTHER

### Outreach Services to Districts

Approximately one-sixth of school districts in Washington contract with Outreach Services to obtain itinerant services (direct and consultative) by trained teachers of the blind. This enables districts to provide visually-impaired students with high-quality services in a cost-effective and efficient manner. (General Fund-State, General Fund-Private/Local)

State funding for this activity is reduced by 4 percent.

### Residential

The school provides an extended CORE curriculum for blind and visually impaired children that focuses on skills relating to orientation and mobility, daily living, and recreation/leisure. Between 48 and 52 students reside in cottages on the campus. (General Fund-State)

This activity is reduced by 10 percent.

### School Operations

School Operations is responsible for the school's administration and coordination of direct service delivery to blind children in Washington. It works to ensure the best use of resources, development of partnerships, and strategic planning for program development. Some of the functions include budget (operations and capital), building maintenance, personnel, grant development, and stakeholder outreach.

This activity is reduced by 4 percent.

### Statewide Resource Services

This division assists school districts in meeting the needs of blind and visually impaired children. Services include the production of Braille material for children (and adults); acquisition and distribution of materials and equipment; coordination of purchases for better pricing; and direct and on-line support, including training on new assistive technology. It is also training inmates to produce Braille. (General Fund-State, General Fund-Private/Local)

### Weekend Transportation

The school expends about \$100,000 per biennium to transport residential students home for the weekends.

This activity is reduced by 10 percent.

### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### Staff Reductions and Operating Efficiencies

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 353

**State School For The Deaf****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	130.5	15,307	232	15,539
<b>Total Maintenance Level</b>	131.0	15,540		15,540
Difference	.5	233	(232)	1
Percent Change from Current Biennium	0.4%	1.5%	(100.0)%	0.0%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(131.0)	(15,540)		(15,540)
Outreach Services	11.0	771	232	1,003
High School Program	78.0	9,325		9,325
Elementary and Middle School	40.0	4,626		4,626
Employee-related and Internal Service Cost Adjustments		303		303
Staff Reductions and Operating Efficiencies	(3.6)	(156)		(156)
Self-Insurance Premiums		130		130
<b>Subtotal</b>	(5.6)	(541)	232	(309)
<b>Total Proposed Budget</b>	125.4	14,999	232	15,231
Difference	(5.1)	(308)		(308)
Percent Change from Current Biennium	(3.9)%	(2.0)%	0.0%	(2.0)%

**Outreach Services**

The school provides evaluations, consultations, training, technical information, and clinical resources to deaf and hard-of-hearing students in public schools, their families, and the staff members who serve them. The Outreach Division works with districts based on referrals, requests, and training options. The school also provides support and training to families of deaf and hard-of-hearing infants and toddlers (ages one to three years). (General Fund-State, General Fund-Private/Local)

Funding for this activity is reduced by 5 percent.

**High School Program**

The school offers a linguistically and culturally accessible learning environment for deaf and hard-of-hearing students. The state's essential learning requirements are included in its curriculum, which aligns it with other public schools. Students are comparably assessed using statewide tests. Students access a global network of academic choices via state-of-the-art technology.

**Elementary and Middle School**

Elementary and middle school programs at the school are consistent with state standards for curriculum, assessment, and accreditation. School districts are often unable to offer the highly specialized services needed for proper language development. The low teacher-student ratio at the school enables students to develop language skills consistent with appropriate grade level requirements.

Funding for this activity is reduced by 9 percent.

## EDUCATION - OTHER

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

### **Self-Insurance Premiums**

State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

Agency 354

## Work Force Training and Education Coordinating Board

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	24.0	3,450	45,502	48,952
<b>Total Maintenance Level</b>	24.0	3,375	54,319	57,694
Difference		(75)	8,817	8,742
Percent Change from Current Biennium	0.0%	(2.2)%	19.4%	17.9%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(24.0)	(3,375)	(54,319)	(57,694)
Administration of Guaranty Fund for Licensed Private Vocational Schools			499	499
Career and Technical Education Funding for Community and Technical Colleges			30,450	30,450
Career and Technical Education Funding for K-12 Education			21,716	21,716
Licensing of Private Vocational Schools	1.8	266		266
Oversight of Veterans' Vocational Training	1.8		302	302
Workforce Policy and Administration	20.4	3,075	1,336	4,411
Employee-related and Internal Service Cost Adjustments		32	21	53
Staff Reductions and Operating Efficiencies	(1.1)	(32)	(18)	(50)
<b>Subtotal</b>	(1.1)	(34)	(13)	(47)
<b>Total Proposed Budget</b>	22.9	3,341	54,306	57,647
Difference	(1.1)	(109)	8,804	8,695
Percent Change from Current Biennium	(4.4)%	(3.2)%	19.3%	17.8%

#### Administration of Guaranty Fund for Licensed Private Vocational Schools

The Board administers a tuition guaranty fund for students enrolled in private vocational schools. The private schools pay into the fund, which is used to reimburse students for tuition lost when a school goes out of business. (Tuition Recovery Account-Nonappropriated)

#### Career and Technical Education Funding for Community and Technical Colleges

The Board receives federal funds for vocational education and allocates them to community and technical colleges through the State Board for Community and Technical Colleges. (General Fund-Federal)

#### Career and Technical Education Funding for K-12 Education

The Board receives federal funds for vocational education and allocates them to schools through the Office of the Superintendent of Public Instruction. (General Fund-Federal)

#### Licensing of Private Vocational Schools

The Board accredits and licenses private vocational schools to ensure that their curriculum and business practices meet state standards. (General Fund-State)

#### **Oversight of Veterans' Vocational Training**

The United States Veterans Administration requires that vocational training programs for its clients meet certain federal criteria for service quality and business operations. The Board ensures that public and private vocational programs offered to these individuals meet the established criteria. (General Fund-Federal)

#### **Workforce Policy and Administration**

The Board staff provides planning, coordination, evaluation, and accountability for the state's workforce training and education system, which includes the Workforce Training and Education Coordinating Board, Office of the Superintendent of Public Instruction, the State Board for Community and Technical Colleges, and the educational service districts. The Board reviews these agencies' budget requests for workforce training and education programs and provides other management and administrative support services. (General Fund-State, General Fund-Federal)

#### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

#### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 387

## Washington State Arts Commission

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	18.4	5,715	1,003	6,718
<b>Total Maintenance Level</b>	18.1	5,654	1,028	6,682
Difference	(.3)	(61)	25	(36)
Percent Change from Current Biennium	(1.4)%	(1.1)%	2.5%	(0.5)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(18.1)	(5,654)	(1,028)	(6,682)
Public Art	5.7	422		422
Build Participation in the Arts	4.9	1,404	145	1,549
Local Arts Organizations	1.9	670	714	1,384
Support the Arts as Basic Education	2.6	943	167	1,110
Employee-related and Internal Service Cost				
Adjustments		42		42
Staff Reductions and Operating Efficiencies	(.1)	(28)		(28)
<b>Subtotal</b>	(3.1)	(2,201)	(2)	(2,203)
<b>Total Proposed Budget</b>	15.1	3,453	1,026	4,479
Difference	(3.3)	(2,262)	23	(2,239)
Percent Change from Current Biennium	(18.0)%	(39.6)%	2.3%	(33.3)%

#### Public Art

The Art in Public Places program is mandated by state law to acquire and place artwork in publicly accessible places throughout the state. It maintains the acquired artwork through directed conservation and education efforts.

#### Build Participation in the Arts

Through project grants, community arts development, and communications, the agency expands access to the arts, builds the capacity of arts organizations, and integrates the arts into key local issues such as tourism and services for at-risk youth. Assistance is directed to new projects and emerging organizations in order to reach diverse populations. A privately funded grant program supports pilot projects to expand participation in underserved communities. (General Fund-State, General Fund-Federal)

State funding for this activity is reduced.

#### Local Arts Organizations

Grant awards to organizations provide financial support for local programs, leveraging additional funding, reducing admission prices, and expanding public access to quality arts programs. Organizations are supported for specific educational programs and initiatives and in various stages of development. Two of the agency's grant categories assist with general operating expenses. (General Fund-State, General Fund-Federal)

State funding for this activity is reduced.

## EDUCATION - OTHER

### **Support the Arts as Basic Education**

The Arts in Education program develops and supports partnerships that advance arts education for K-12 students in Washington. It provides training for educators, artists, and arts leaders in the state education standards in the arts; offers expertise in developing assessments in the arts; and provides funding for programs that support arts curriculum, educational programs, and artists-in-residence in public schools. (General Fund-Federal)

State funding for this activity is reduced

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)



Agency 390

## Washington State Historical Society

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	54.6	6,034	1,560	7,594
<b>Total Maintenance Level</b>	53.6	5,682	2,583	8,265
Difference	(1.0)	(352)	1,023	671
Percent Change from Current Biennium	(1.8)%	(5.8)%	65.6%	8.8%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(53.6)	(5,682)	(2,583)	(8,265)
Acquire and Maintain Historic Collection	6.0	679	28	707
Agency Administration	7.8	999	415	1,414
Community Outreach Activities	4.3	424	204	628
Fundraising	5.2	24	786	810
Historical Education	7.5	424	140	564
Museum Operation and Facilities Maintenance	10.2	1,576	116	1,692
State Historical Exhibits	12.6	902	1,093	1,995
Employee-related and Internal Service Cost Adjustments		106		106
Staff Reductions and Operating Efficiencies	(2.3)	(106)		(106)
<b>Subtotal</b>	(2.3)	(654)	199	(455)
<b>Total Proposed Budget</b>	51.4	5,028	2,782	7,810
Difference	(3.3)	(1,006)	1,222	216
Percent Change from Current Biennium	(6.0)%	(16.7)%	78.3%	2.8%

#### Acquire and Maintain Historic Collection

The Society is charged with preserving papers, photographs, and objects that illuminate Washington history. Ninety-five percent of its collections are acquired through donations from businesses, other historical agencies, and individuals. It provides research services and access to over 500,000 photographs, 7,500,000 manuscripts and other items.

Funding for this activity is reduced by 9 percent.

#### Agency Administration

Administrative functions include accounting, budgeting, personnel management, risk management, investment management, purchasing, records management, and information services. The agency is required to help plan for significant events in the state's history, such as the Lewis and Clark Bicentennial Project. It must also adhere to organizational and membership requirements due to its non-profit status. (General Fund-State, Local Museum Account-Washington State Historical Society)

State funding for this activity is reduced by 7 percent.

## EDUCATION - OTHER

### Community Outreach Activities

In administering the Heritage Capital Projects Fund, the Society offers training on the grant application process; manages the ranking of submissions by an advisory panel; monitors performance; and processes requests for reimbursement. It collaborates with Washington State University-Vancouver and Portland State University in operating the Center for Columbia River History, which provides public programs, historical information, teacher training, and curriculum materials. This activity also includes the Heritage Resource Center, which provides technical assistance to local heritage groups, and the Washington State Capital Museum, which offers exhibits, public programs, curriculum support, and school tours. (General Fund-State, Local Museum Account-Washington State Historical Society)

State funding for this activity is reduced by 10 percent.

### Fundraising

Washington State Historical Society seeks corporate sponsorships for all exhibits and educational programs. The sponsorships are especially important in advertising support and other promotional support. (Local Museum Account-Washington State Historical Society)

### Historical Education

These funds facilitate coordination of school field trips; school outreach; including history boxes for classroom use and web sites; preparation and distribution of curriculum materials; and teacher training programs. (General Fund-State, Local Museum Account-Washington State Historical Society)

State funding for this activity is reduced by 14 percent.

### Museum Operation and Facilities Maintenance

The Society owns and operates three facilities: the Washington State History Museum, the Washington State Historical Society Research Center in Tacoma, and the State Capital Museum in Olympia. These combined facilities include 110,000 square feet of museum space; 51,000 square feet of collection storage and research space; and an historic house on the National Register near the capital campus. Timely maintenance and repairs and trained security guards protect these state properties and the visiting public. (General Fund-State, Local Museum Account-Washington State Historical Society)

State funding for this activity is reduced by 6 percent.

### State Historical Exhibits

The Society's exhibits interpret objects, manuscripts, sites, photographs, and other materials illustrative of the cultural, artistic, and natural history of our state. Exhibits educate citizens and can be large and comprehensive, such as the 22,000-square-foot Great Hall of Washington History, or smaller and focused, such as exhibits about Mt. Rainier, the Klondike Gold Rush, treaties with Indians, or Lewis and Clark. (General Fund-State, Local Museum Account-Washington State Historical Society)

State funding for this activity is reduced by 17 percent.

### Employee-related and Internal Service Cost Adjustments

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

**Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

Agency 395

## Eastern Washington State Historical Society

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>	25.2	3,224		3,224
<b>Total Maintenance Level</b>	24.7	3,311		3,311
Difference	(.5)	87		87
Percent Change from Current Biennium	(2.0)%	2.7%		2.7%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base	(24.7)	(3,311)		(3,311)
Acquire and Maintain Cultural, Artistic and Historic Collections	4.2	403		403
Agency Administration	2.0	292		292
Cultural, Artistic and Historical Education and Community Outreach Activities	1.2	129		129
Museum Operations, Maintenance, and Exhibits	17.3	2,154		2,154
Employee-related and Internal Service Cost Adjustments		59		59
Staff Reductions and Operating Efficiencies	(1.2)	(50)		(50)
<b>Subtotal</b>	(1.2)	(324)		(324)
<b>Total Proposed Budget</b>	23.5	2,987		2,987
Difference	(1.7)	(237)		(237)
Percent Change from Current Biennium	(6.6)%	(7.4)%		(7.4)%

#### Acquire and Maintain Cultural, Artistic and Historic Collections

The Museum Collection Department and the Library/Archives Department manage the collection of art, artifacts, and archival material in three disciplines: fine art, regional history, and American Indian and other cultures. Staff members select and acquire material that reflects the cultural, artistic, and historic development of Eastern Washington. They are responsible for the organization, preservation, documentation, access, security, and legal transactions for over 65,000 objects, 400,000 photographs, 10,000 books, and 4,200 lineal feet of archival material.

Funding for this activity is reduced by 6 percent.

#### Agency Administration

Overall direction is provided by the director and Board of Trustees, which is composed of 35 volunteers who set policy, promote the organization, provide financial oversight, and raise funds. Activities include coordination and tactical meetings; financial review; strategic planning; public outreach; and contact with elected officials.

Funding for this activity is reduced by 6 percent.

### **Cultural, Artistic and Historical Education and Community Outreach Activities**

The Society develops and implements diverse educational programs that enhance visual art, regional history, and culture for the benefit of adults, families, educators, and school groups. It helps supplement K-12 curriculum for art, state and national history, and social studies, and partners with six colleges and universities to enhance learning opportunities. Total educational programming and outreach activities reach over 50,000 citizens and visitors.

### **Museum Operations, Maintenance, and Exhibits**

The Society curates, develops, designs, and installs interpretive visual art, regional history, and American Indian and other cultural exhibitions. Staff members operate, maintain, and secure four buildings and a parking structure. Other functions include accounting, visitor services, and recruitment and training of volunteers who contribute 20,000 hours per year. (General Fund-State, Washington State Historical Trust Account)

State funding for this activity is reduced by 10 percent.

### **Employee-related and Internal Service Cost Adjustments**

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

Pension contributions for state employees are included at the rate of 1.4 percent of pay to the Public Employees Retirement System, and 1 percent to the Teachers' Retirement System. This reflects a proposed change to the projected unit credit actuarial method for Plans 2 and 3.

Also included are adjustments in costs for Attorney General and other internal services. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

### **Staff Reductions and Operating Efficiencies**

In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)



Agency 713

## State Employee Compensation

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2003-05 Expenditure Authority</b>				
Total Maintenance Level		1,357	285	1,642
Difference		1,357	285	1,642
Percent Change from Current Biennium		100.0%	100.0%	100.0%
<b>Performance Changes (Activities)</b>				
Employee Health Benefits		2,285	401	2,686
Projected Unit Credit		(809)	(158)	(967)
Salary Survey for State Employees		50,881	41,725	92,606
<b>Subtotal</b>		<b>52,357</b>	<b>41,968</b>	<b>94,325</b>
<b>Total Proposed Budget</b>		<b>53,714</b>	<b>42,253</b>	<b>95,967</b>
Difference		53,714	42,253	95,967
Percent Change from Current Biennium		100.0%	100.0%	100.0%

#### Employee Health Benefits

The employer contribution rate is increased from \$482.38 in Fiscal Year 2003 to \$520.27 in Fiscal Year 2004 and \$606.25 in Fiscal Year 2005. At these rates, the employer contribution is 80 percent of the total premium rate in both fiscal years. These rates assume an increase in co-payments from \$10 to \$15 for office visits.

#### Projected Unit Credit

Pension contribution calculations are changed to the projected unit credit actuarial method for the Public Employees' Retirement System and Teachers' Retirement System Plans 2 and 3, for legislative and judicial employees. Pension contributions for other employees are included in individual agency and institution budgets. (General Fund-State, various other funds)

#### Salary Survey for State Employees

This item provides funding to increase salaries for those state employees whose pay is more than 20 percent below market rate. Salaries will be increased to 20 percent below market level. Of the increase, \$9,156,000 is attributable to higher education employees, and \$83,450,000 to other agency employees. Funding in higher education is provided only for state-funded employees. (General Fund-State, various other funds)





Agency 010

**Bond Retirement and Interest****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		1,251,110	489,098	1,740,208
<b>Total Maintenance Level</b>		1,237,608	488,721	1,726,329
Difference		(13,502)	(377)	(13,879)
Percent Change from Current Biennium		(1.1)%	(0.1)%	(0.8)%
<b>Performance Changes (Activities)</b>				
New Debt Issued - Education Construction Account			23,000	23,000
General Inflation		(18)	(150)	(168)
New Debt 2003-05 Capital Budget		15,661	5,223	20,884
New Debt 2003-05 Transportation			18,400	18,400
<b>Subtotal</b>		15,643	46,473	62,116
<b>Total Proposed Budget</b>		1,253,251	535,194	1,788,445
Difference		2,141	46,096	48,237
Percent Change from Current Biennium		0.2%	9.4%	2.8%

**New Debt Issued - Education Construction Account**

Debt service and bond sale expenses will be incurred for new debt issued to fund education capital construction projects in the 2003-05 Biennium. (Education Construction Account)

**New Debt 2003-05 Capital Budget**

Debt service and bond sale expenses will be incurred for new debt issued to fund the 2003-05 Biennium capital plan proposed by Governor Locke. (General Fund-State, various debt service accounts)

**New Debt 2003-05 Transportation**

Debt service and bond sale expenses will be incurred for debt issued to fund the 2003-05 Biennium transportation plan proposed by Governor Locke. (Motor Vehicle Fund-State)



Agency 076

## Special Appropriations to the Governor

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		107,369	101,645	209,014
<b>Total Maintenance Level</b>		22,636	52,000	74,636
Difference		(84,733)	(49,645)	(134,378)
Percent Change from Current Biennium		(78.9)%	(48.8)%	(64.3)%
<b>Performance Changes (Activities)</b>				
Assumption of Zero Base		(22,636)	(52,000)	(74,636)
Governor's Emergency Fund		1,700		1,700
K-20 Telecommunications Network		20,936		20,936
County Public Health Assistance			48,000	48,000
Fire Contingency			4,000	4,000
Department of Natural Resources Administration				
Cost Allocation Adjustment		4,315	1,137	5,452
<b>Subtotal</b>		4,315	1,137	5,452
<b>Total Proposed Budget</b>		26,951	53,137	80,088
Difference		(80,418)	(48,508)	(128,926)
Percent Change from Current Biennium		(74.9)%	(47.7)%	(61.7)%

#### Governor's Emergency Fund

The Governor's Emergency Fund contains \$1,700,000 which the Governor can make available to agencies for unforeseen expenses or critical agency operations that are not supported by other appropriations.

#### K-20 Telecommunications Network

This General Fund appropriation to the Education Technology Revolving Account continues funding of the telecommunication, equipment maintenance and replacement, and network control center operational costs of the Educational Telecommunications Network (K-20) for the universities, community and technical colleges, educational service districts, and public school districts. The K-20 Network provides public schools at every level with access to 21st century learning tools: Internet and Intranet, interactive video-conferencing, and satellite-delivered learning services that create unlimited educational opportunities for Washingtonians. The network now provides access to educational institutions at 412 locations statewide, including 64 community and technical college sites, 44 campuses of baccalaureate institutions, and 304 K-12 locations (school districts and educational services districts).

#### County Public Health Assistance

The budget provides assistance to support essential local public health services. The Department of Health will distribute funds to local public health jurisdictions through performance-based contracts based on the standards for public health and the recommendations of the Public Health Improvement Plan. (Health Services Account)

#### Fire Contingency

The fire contingency pool was created in 1999 to address fire mobilization costs and fire suppression costs in excess of the amounts appropriated to the Military Department and the Department of Natural Resources. (Disaster Response Account)

## SPECIAL APPROPRIATIONS TO THE GOVERNOR

### **Department of Natural Resources Administration Cost Allocation Adjustment**

Funds are reallocated between accounts to correct administrative cost allocation issues identified by the State Auditor. As a result of the method used by the Department of Natural Resources to allocate administrative overhead costs during the 1997-2001 time period, some funds were charged a disproportionate share for administrative overhead. Dollars appropriated from these accounts are for deposit into the Forest Development Account, Aquatic Lands Enhancement Account, Resource Management Cost Account, Aquatic Land Dredged Material Disposal Site Account, Forest Fire Protection Assessment Account, and Agriculture College Trust Management Account. (General Fund-State; Surveys and Maps Account; Waste Reduction, Recycling, and Litter Control Account; Surface Mining Reclamation Account; Access Road Revolving Account; Air Pollution Control Account)

*Agency 740***Contributions to Retirement Systems****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2001-03 Expenditure Authority</b>		44,145		44,145
<b>Total Maintenance Level</b>		55,000		55,000
Difference		10,855		10,855
Percent Change from Current Biennium		24.6%		24.6%
<b>Total Proposed Budget</b>		55,000		55,000
Difference		10,855		10,855
Percent Change from Current Biennium		24.6%		24.6%



## Budget Comparison

Current Biennium, 2003-05 Maintenance Level, and 2003-05 Recommended Level  
for General Fund-State and Total Funds by Agency  
(Dollars in Thousands)

Agency	2001-03 Biennium		2003-05 Maintenance		2003-05 Governor Recommended	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
<b>State of Washington Totals</b>						
Legislative	132,068	142,538	132,187	142,138	132,778	142,750
Judicial	73,726	141,833	78,144	132,646	82,395	151,209
Governmental Operations	392,289	2,672,783	416,369	2,816,890	394,463	2,893,715
Human Services	7,436,599	19,079,552	8,298,738	20,359,017	7,774,300	19,245,267
Natural Resources and Recreation	322,039	1,119,262	330,704	1,107,396	310,626	1,096,226
Transportation	41,955	4,398,866	54,689	2,613,122	50,241	3,184,470
Public Schools	9,854,993	11,504,617	10,354,289	12,399,931	10,136,679	12,092,917
Higher Education	2,737,253	6,451,318	2,769,992	7,463,550	2,669,999	7,326,925
All Other Education	55,310	111,868	43,133	102,398	38,980	98,661
All Other Expenditures and Appropriations	1,638,033	2,069,385	1,316,601	1,857,607	1,388,916	2,019,500
<b>Total</b>	<b>22,684,265</b>	<b>47,692,022</b>	<b>23,794,846</b>	<b>48,994,695</b>	<b>22,979,377</b>	<b>48,251,640</b>
<b>Legislative and Judicial Agencies</b>						
House of Representatives	56,319	56,364	57,033	57,078	57,033	57,078
Senate	46,513	46,558	45,887	45,932	45,887	45,932
Joint Legislative Audit and Review Committee	4,136	4,136	3,533	3,533	3,533	3,533
Legislative Transportation Committee		3,646		3,642		3,642
Legislative Evaluation and Accountability Program Committee	2,801	3,501	3,797	3,797	3,797	3,797
Office of the State Actuary		2,089		2,143		2,143
Joint Legislative Systems Committee	13,439	15,145	13,664	15,477	14,255	16,089
Statute Law Committee	7,973	10,212	8,273	10,536	8,273	10,536
Redistricting Commission	887	887				
Supreme Court	11,158	11,158	11,435	11,435	11,947	11,947
Law Library	3,949	3,949	5,071	5,071	5,231	5,231
Court of Appeals	25,942	25,942	26,234	26,234	26,264	26,264
Commission on Judicial Conduct	1,926	1,926	1,939	1,939	1,939	1,939
Office of Administrator for the Courts	30,151	85,894	33,465	75,584	34,965	91,170
Office of Public Defense	600	12,964		12,383	2,049	14,658
<b>Total</b>	<b>205,794</b>	<b>284,371</b>	<b>210,331</b>	<b>274,784</b>	<b>215,173</b>	<b>293,959</b>
<b>Governmental Operations</b>						
Office of the Governor	8,662	12,875	8,325	13,547	7,987	13,040
Office of Lieutenant Governor	891	891	888	888	869	869
Public Disclosure Commission	3,823	3,823	3,920	3,920	3,775	3,775
Office of the Secretary of State	17,170	35,952	42,398	68,580	32,819	59,533
Governor's Office of Indian Affairs	552	552	577	577	497	497
Commission on Asian Pacific American Affairs	441	441	423	423	391	391
Office of State Treasurer		13,190		14,017		13,528
Office of State Auditor	1,990	44,458	1,831	47,356	1,639	45,993
Commission on Salaries for Elected Officials	231	231	232	232	230	230
Office of Attorney General	12,187	174,659	9,871	184,940	8,467	183,772
Caseload Forecast Council	1,257	1,257	1,279	1,279	1,271	1,271
Department of Financial Institutions		24,392		24,387		24,728
Department of Community, Trade, and Economic Development	131,799	355,537	123,003	378,916	116,112	374,455
Economic and Revenue Forecast Council	1,029	1,029	1,039	1,039	1,036	1,036
Office of Financial Management	25,599	71,602	27,138	76,533	28,041	77,331
Office of Administrative Hearings		22,864		25,033		24,964
Department of Personnel		33,347		43,615		
Department of Human Resources						85,843
State Lottery		812,814		885,991		884,441
Washington State Gambling Commission		29,353		29,229		
Commission on Hispanic Affairs	444	444	439	439	409	409
Commission On African-American Affairs	425	425	447	447	398	398

## Budget Comparison

Current Biennium, 2003-05 Maintenance Level, and 2003-05 Recommended Level  
for General Fund-State and Total Funds by Agency  
(Dollars in Thousands)

Agency	2001-03 Biennium		2003-05 Maintenance		2003-05 Governor Recommended	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
Personnel Appeals Board		1,738		1,737		1,744
Department of Retirement Systems		54,111		47,969		
State Investment Board		13,678		13,337		12,984
Department of Revenue	153,458	163,854	160,174	171,389	160,003	171,196
Board of Tax Appeals	2,238	2,238	2,205	2,205	2,178	2,178
Municipal Research Council		4,575		4,621		4,969
Office of Minority and Women's Business Enterprises		2,670		2,721		
Department of General Administration	1,256	130,222	1,202	131,188	539	139,076
Department of Information Services		207,456		209,287	2,000	207,741
Office of Insurance Commissioner		31,127		31,526		33,236
Board of Accountancy		1,738		1,649		1,643
Forensic Investigations Council		276		274		274
Horse Racing Commission		4,528		4,633		
Liquor Control Board	2,969	157,961	2,932	150,779		159,711
Utilities and Transportation Commission		31,482		30,781		30,808
Board for Volunteer Firefighters		577		687		704
Military Department	18,214	149,028	17,908	128,697	17,713	215,885
Public Employment Relations Commission	4,646	4,646	6,919	7,454	4,845	7,737
Growth Management Hearings Office	3,008	3,008	3,219	3,219	3,244	3,244
State Convention and Trade Center		67,734		71,349		71,618
Department of Gaming						32,463
<b>Total</b>	<b>392,289</b>	<b>2,672,783</b>	<b>416,369</b>	<b>2,816,890</b>	<b>394,463</b>	<b>2,893,715</b>
<b>Human Services Agencies</b>						
Washington State Health Care Authority	6,665	723,447		913,592		472,073
Human Rights Commission	5,426	7,095	5,434	7,149	4,873	6,550
Board of Industrial Insurance Appeals		30,115		30,695		30,499
Criminal Justice Training Commission		18,881		22,561		22,673
Department of Labor and Industries	11,430	470,481	11,731	477,367	12,005	478,217
Indeterminate Sentence Review Board	1,994	1,994	2,000	2,000	1,992	1,992
Department of Social and Health Services	6,177,570	15,500,478	6,918,511	16,344,539	6,479,108	15,750,126
Home Care Quality Authority	152	152	543	543	547	547
Department of Health	113,882	656,829	119,766	697,191	127,980	702,694
Department of Veterans Affairs	20,636	73,811	22,220	79,698	20,474	77,916
Department of Corrections	1,093,745	1,131,558	1,213,114	1,246,123	1,122,159	1,156,400
Department of Services for the Blind	3,301	17,963	3,721	19,080	3,671	18,875
Sentencing Guidelines Commission	1,798	1,798	1,698	1,698	1,491	1,491
Employment Security Department		444,950		516,781		525,214
<b>Total</b>	<b>7,436,599</b>	<b>19,079,552</b>	<b>8,298,738</b>	<b>20,359,017</b>	<b>7,774,300</b>	<b>19,245,267</b>
<b>Social and Health Service Programs</b>						
Children's Administration	465,657	846,800	533,985	942,932	464,941	878,768
Juvenile Rehabilitation	165,644	234,239	164,050	230,552	157,237	222,220
Mental Health	598,681	1,165,178	688,841	1,244,794	666,508	1,205,192
Developmental Disabilities	635,348	1,217,934	683,511	1,299,276	670,200	1,277,453
Long Term Care	1,022,487	2,094,619	1,079,444	2,217,473	1,043,647	2,144,938
Economic Services Administration	847,787	2,236,624	836,031	2,303,539	788,349	2,258,890
Alcohol And Substance Abuse	73,224	231,259	73,790	231,168	67,536	230,568
Medical Assistance Payments	2,206,555	7,153,805	2,695,427	7,551,538	2,460,428	7,186,661
Vocational Rehabilitation	21,486	104,086	22,104	108,416	21,940	107,965
Administration and Supporting Services	54,595	103,163	55,820	102,897	58,608	116,195
Payments to Other Agencies	86,106	112,771	85,508	111,954	79,714	121,276
<b>Total</b>	<b>6,177,570</b>	<b>15,500,478</b>	<b>6,918,511</b>	<b>16,344,539</b>	<b>6,479,108</b>	<b>15,750,126</b>
<b>Natural Resource Agencies</b>						
Columbia River Gorge Commission	791	1,550	1,193	1,951	1,205	1,975



## Budget Comparison

Current Biennium, 2003-05 Maintenance Level, and 2003-05 Recommended Level  
for General Fund-State and Total Funds by Agency  
(Dollars in Thousands)

Agency	2001-03 Biennium		2003-05 Maintenance		2003-05 Governor Recommended	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
Department of Ecology	75,269	324,721	70,114	303,061	67,709	308,810
Pollution Liability Insurance Program		2,170		2,042		1,903
State Parks and Recreation Commission	63,723	102,463	66,118	105,997	53,475	105,764
Interagency Committee for Outdoor Recreation	338	14,346	329	20,273	3,535	24,528
Environmental Hearings Office	1,698	1,698	1,963	1,963	1,922	1,922
State Conservation Commission	4,292	7,811	4,258	6,540		
Department of Fish and Wildlife	92,942	292,171	90,620	284,346	85,935	281,541
Department of Natural Resources	67,425	280,474	80,713	289,457	78,049	273,884
Department of Agriculture	15,561	91,858	15,396	91,766	18,796	95,899
<b>Total</b>	<b>322,039</b>	<b>1,119,262</b>	<b>330,704</b>	<b>1,107,396</b>	<b>310,626</b>	<b>1,096,226</b>
<b>Transportation Agencies</b>						
Board of Pilotage Commissioners		309		268		271
Washington State Patrol	31,059	337,723	44,320	338,389	39,941	353,466
Traffic Safety Commission		8,973		19,053		20,493
Department of Licensing	10,896	208,450	10,369	211,234	10,300	219,218
Department of Transportation		3,512,964		1,760,445		2,309,752
County Road Administration Board		89,400		78,789		
Transportation Improvement Board		239,201		203,162		
Marine Employees' Commission		339		354		
Transportation Commission		782		808		810
Freight Mobility Strategic Investment Board		725		620		
Local Transportation Grant Board						280,460
<b>Total</b>	<b>41,955</b>	<b>4,398,866</b>	<b>54,689</b>	<b>2,613,122</b>	<b>50,241</b>	<b>3,184,470</b>
<b>Education Agencies</b>						
State Board of Education		148,456				131,000
Office of the Superintendent of Public Instruction	52,149	193,116	44,618	131,704	29,002	115,616
General Apportionment	7,498,021	7,498,021	8,016,559	8,016,559	7,956,619	7,956,619
Pupil Transportation	385,695	385,695	426,250	426,250	425,619	425,619
School Food Services	6,200	296,387	6,200	383,061	6,200	383,061
Special Education	828,926	1,085,333	885,584	1,295,837	879,459	1,289,636
Traffic Safety Education	4,277	4,277				
Educational Service Districts	9,328	9,328	10,132	10,132	6,072	6,072
Levy Equalization	295,863	295,863	354,920	354,920	321,900	321,900
Elementary and Secondary School Improvement		201,737		46,198		46,198
Institutional Education	37,731	46,279	37,441	37,441	37,151	37,151
Education of Highly Capable Students	12,699	12,699	13,286	13,286	11,228	11,228
Student Achievement Program		391,149		642,613		421,876
Education Reform	67,022	128,093	75,021	203,923	67,598	197,460
Transitional Bilingual Instruction	87,501	107,781	102,496	148,805	101,576	147,885
Learning Assistance Program	135,956	266,587	128,296	435,474	150,522	457,700
Education Enhancement	23,204	23,204				
State Flexible Education Funds	20,612	20,612	41,345	41,345		
Better Schools Program	8,996	8,996				
Compensation Adjustments	380,813	381,004	212,141	212,383	143,733	143,896
<b>Superintendent of Public Instruction Total</b>	<b>9,854,993</b>	<b>11,356,161</b>	<b>10,354,289</b>	<b>12,399,931</b>	<b>10,136,679</b>	<b>11,961,917</b>

## Budget Comparison

Current Biennium, 2003-05 Maintenance Level, and 2003-05 Recommended Level  
for General Fund-State and Total Funds by Agency  
(Dollars in Thousands)

Agency	2001-03 Biennium		2003-05 Maintenance		2003-05 Governor Recommended	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
Higher Education Coordinating Board	264,344	280,151	272,123	289,480	324,095	341,448
University of Washington	680,044	2,925,910	683,594	3,684,656	635,335	3,612,024
Washington State University	395,880	818,035	393,266	876,003	369,664	848,508
Eastern Washington University	89,676	163,164	88,281	162,250	82,344	155,832
Central Washington University	86,046	175,623	85,096	181,692	79,599	175,644
The Evergreen State College	49,780	89,091	49,643	92,591	46,030	88,622
Spokane Intercollegiate Research and Technology Institute	2,941	4,268	2,851	2,939	2,831	2,947
Western Washington University	118,025	235,795	118,413	258,634	109,785	249,057
Community and Technical College System	1,050,517	1,759,281	1,076,725	1,915,305	1,020,316	1,852,843
<b>Higher Education Total</b>	<b>2,737,253</b>	<b>6,451,318</b>	<b>2,769,992</b>	<b>7,463,550</b>	<b>2,669,999</b>	<b>7,326,925</b>
State School For The Blind	9,257	10,511	9,571	10,906	9,172	10,507
State School For The Deaf	15,307	15,539	15,540	15,540	14,999	15,231
Work Force Training and Education Coordinating Board	3,450	48,952	3,375	57,694	3,341	57,647
Washington State Library	12,323	19,330				
Washington State Arts Commission	5,715	6,718	5,654	6,682	3,453	4,479
Washington State Historical Society	6,034	7,594	5,682	8,265	5,028	7,810
Eastern Washington State Historical Society	3,224	3,224	3,311	3,311	2,987	2,987
<b>Other Education Total</b>	<b>55,310</b>	<b>111,868</b>	<b>43,133</b>	<b>102,398</b>	<b>38,980</b>	<b>98,661</b>
<b>Total</b>	<b>12,647,556</b>	<b>18,067,803</b>	<b>13,167,414</b>	<b>19,965,879</b>	<b>12,845,658</b>	<b>19,518,503</b>
<b>Special Appropriation Agencies</b>						
State Employee Compensation			1,357	1,642	53,714	95,967
Bond Retirement and Interest	1,251,110	1,740,208	1,237,608	1,726,329	1,253,251	1,788,445
Special Appropriations to the Governor	107,369	209,014	22,636	74,636	26,951	80,088
Sundry Claims	274	279				
Contributions to Retirement Systems	44,145	44,145	55,000	55,000	55,000	55,000
2003 Supplemental Budget	235,135	75,739				
<b>Total</b>	<b>1,638,033</b>	<b>2,069,385</b>	<b>1,316,601</b>	<b>1,857,607</b>	<b>1,388,916</b>	<b>2,019,500</b>